

MEETING
STATE OF CALIFORNIA
HORSE RACING BOARD

BIG FRESNO FAIR
1121 SOUTH CHANCE AVENUE
FRESNO, CALIFORNIA

THURSDAY, OCTOBER 6, 2005
9:55 A.M.

CHRISTOPHER LOVERRO, REPORTER

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

COMMISSIONERS

Mr. John C. Harris, Chairperson

Mr. Jerry Moss

Ms. Sheryl L. Granzella

Mr. William A. Bianco

Ms. Marie G. Moretti

Mr. Richard B. Shapiro

ATTORNEY GENERAL'S OFFICE

Mr. Derry L. Knight, Deputy Attorney General

CHIEF EXECUTIVE OFFICER OF THE BIG FRESNO FAIR

Mr. John C. Alkire

STAFF

Ms. Ingrid J. Fermin, Executive Director

Ms. Jacqueline Wagner, Staff Services Manager I

Mr. John Reagan, Senior Management Auditor

ALSO PRESENT

Mr. Jack Liebau, Hollywood Park Fall Racing Association

Mr. Bernie Thurman, Hollywood Park Fall Racing Association

Mr. Mike Siegler, Hollywood Park Fall Racing Association

Mr. Paul Nicolo, Board of Stewards, Los Alamitos

Mr. Craig Fravel, Del Mar

Mr. Shane Gusman, Esq., Jockeys' Guild

Mr. Darrell Haire, Jockeys' Guild

Mr. Drew Couto, Thoroughbred Owners California

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APPEARANCES CONTINUED

ALSO PRESENT

Mr. Ed Halpern, California Thoroughbred Trainers

Mr. George Haines, Santa Anita

Mr. Dave Payton, Scientific Games

Mr. Terry McWilliams, Scientific Games

Mr. Richard Castro, Parimutuel Employees Guild

Ms. Mary Lou Slender

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1 PROCEEDINGS

2 EXECUTIVE DIRECTOR FERMIN: Ladies and gentlemen,
3 if we could have the meeting come to order, please?

4 This is the regular meeting of the California
5 Horse Racing Board on Thursday, October the 6th, 2005, at
6 the Big Fresno Fair, 1121 South Chance Avenue, in Fresno,
7 California.

8 Present at today's meeting are Chairman John
9 Harris, Vice Chairman William Bianco, Commissioner Sheryl
10 Granzella, Commissioner Marie Moretti, and Commissioner
11 Richard Shapiro.

12 Before we go on to the business at hand, I'd like
13 to ask everyone to please state your name and organization
14 clearly for our court reporter. And this is something
15 that's really, terribly important so, hopefully, everybody
16 will comply.

17 And, now, Mr. Chairman.

18 CHAIRPERSON HARRIS: Thank you, Ingrid.

19 I'm John Harris, the Chairman of the California
20 Horse Racing Board. I'm very pleased to have this meeting
21 here at the Big Fresno Fair. This has been a place that
22 I've been coming to races here for longer than most of you
23 have been alive, I think. And it's always a thrill to race
24 at Fresno and we've got a lot of friends around here that
25 follow racing. I think a lot of new fans have been

1 developed through the overall fair system.

2 I'd like to introduce John Alkire, who has been
3 the manager of the Fresno Fair the last couple of years, a
4 very experienced fair manager.

5 (Applause.)

6 CHAIRPERSON HARRIS: I don't know, you must be
7 giving Richard that much if you clap that much.

8 But, yeah, he's done a great job here and they've
9 done a lot to both improve their overall fair and, also, the
10 horse segment, which I think he's going to go into some of
11 that. But they have really done a lot of nice improvements
12 for both the back side and the front side.

13 BIG FRESNO FAIR CHIEF EXECUTIVE OFFICER ALKIRE:

14 Thank you, Chairman Harris.

15 My name is John Alkire, I'm the CEO of the Big
16 Fresno Fair.

17 At this time, on behalf of the Board of Directors,
18 staff and management, I'd like to welcome the Commissioners
19 here and CHRB for allowing us the privilege of hosting your
20 meeting today. And we hope that you'll enjoy yourself today
21 and you'll come back.

22 To commemorate your visit today, I put a token of
23 our appreciation in front of you. It's a booklet that was
24 put together by a local historian on the history of the Big
25 Fresno Fair as a whole. You'll notice that a lot of the

1 pictures on the walls in here are also in the magazine.

2 I have commissioned Elizabeth Liebau, as of
3 yesterday, because we have been in business for 122 years.
4 We opened our fair yesterday for the 122nd time. And she
5 was going to put a book together, like this, strictly on
6 horse racing. We've been horse racing here a long time and
7 the message that I'd like to get across to the Commissioners
8 today is that we're here for the long distance run, we're
9 not here for a sprint race.

10 We want to improve horse racing in California and
11 anything we can do to be a part of that movement, we would
12 appreciate your support.

13 There's my business card in the book, with my cell
14 number. If any of you need me today, while you're here
15 visiting our fair, please call me, personally. If you'd
16 like to go to a show tonight, we have tickets in the VIP
17 area. We also have a director's hall behind the Paul Paul
18 Theater, that we'd love to have you for dinner, to join with
19 our Board of Directors.

20 Again, thank you for coming. I don't want to
21 waste a lot of time.

22 I know that Chairman Shapiro, I've heard many,
23 many times you say about wanting to get rid of overlap and
24 reduce some of the days of racing. I would encourage that I
25 would sure hope in the future that we could see some days

1 here at Fresno with no overlap, because we're trying to make
2 it bigger and better, but we need your help.

3 Thank you.

4 CHAIRPERSON HARRIS: Thank you, John.

5 John and his great staff have done a good job
6 putting on Fresno. They've got one of the fair directors
7 that really care about racing. And Dan White, who runs the
8 racing part year-round, does a great job.

9 Could somebody turn this fan off above, it kind of
10 sounds like a propeller that's about to go. But I think we
11 could turn it off and not really compromise anything.

12 Okay, the first item on the agenda is a discussion
13 and action by the Board -- yeah, we're not going to have an
14 Executive Session because whatever item we had on there has
15 been taken off.

16 So we'll just go to item one, which is discussion
17 and action by the Board on the Application to Conduct a
18 Horse Racing Meeting of the Hollywood Park Fall Racing
19 Association, at Hollywood Park, commencing November 9
20 through December 19, 2005.

21 STAFF SERVICES MANAGER I WAGNER: Good morning,
22 Jackie Wagner, CHRB staff.

23 The application before you is from the Hollywood
24 Park Fall Racing Association. They are proposing to race
25 from November the 9th through December the 19th, or 31 days.

1 They are proposing to race a total of 267 races or 8.6 races
2 per day.

3 Their post time will be 12:30 p.m. daily. They
4 will have a 7:05 p.m. post time on Friday, November the 11th
5 and November the 18th. In addition, they will also have an
6 11:00 a.m. post time on Thursday, November 24th.

7 Their wagering program will utilize the CHRB
8 parimutuel rules.

9 And staff would recommend that the Board approve
10 the application, as presented.

11 I'm sure there's a representative here from
12 Hollywood Park, should you have any questions.

13 CHAIRPERSON HARRIS: Any comments or questions on
14 this application?

15 COMMISSIONER SHAPIRO: I have a few questions. If
16 Mr. Liebau's here, perhaps, or Ms. Thurman, and whoever
17 would like to address the questions?

18 Good morning.

19 MR. LIEBAU: Good morning. Jack Liebau, from
20 Hollywood Park. And Mrs. Thurman is ready and willing to
21 answer your questions, Mr. Shapiro.

22 COMMISSIONER SHAPIRO: Thank you. My first
23 question is that this is the Hollywood Park Fall Racing
24 Association. Is this a different association than we
25 approved for the simulcasting at our last meeting?

1 MR. LIEBAU: This is the same association, the
2 Hollywood Park Fall Racing Association has been licensed to
3 conduct satellite wagering as of September 24th.

4 COMMISSIONER SHAPIRO: And will this be the same
5 Association that will be used at the spring meeting or will
6 there will be a separate corporation that is the Hollywood
7 Park Spring?

8 MR. LIEBAU: There will be separate corporation
9 that's called the Hollywood Park Racing Association.

10 COMMISSIONER SHAPIRO: And what is the
11 differences, why are they separated?

12 MR. LIEBAU: Because of a quirk in the law, it's
13 always been that there's been --

14 COMMISSIONER SHAPIRO: Can you get closer? With
15 this fan, I can hardly hear anything here.

16 MR. LIEBAU: There's always been two entities that
17 operate at the Hollywood Park meets.

18 COMMISSIONER SHAPIRO: So it was that way prior to
19 this?

20 MR. LIEBAU: Yeah.

21 COMMISSIONER SHAPIRO: I note in your estimates,
22 in terms of your purse distributions, and so forth, your
23 purse program, and I'm just curious to know what the
24 assumptions are that were made? I know that there are fewer
25 days that are being raced this year, as compared to last

1 year, but in coming up with your estimates, can you tell me,
2 were you projecting that business would be the same, or
3 would be more, or what were the assumptions used?

4 MS. THURMAN: Bernie Thurman. We applied the
5 percentage gains and decreases from the spring meet to the
6 fall meet numbers from the prior year and translated them to
7 averages.

8 Last year's meet made up a substantial ground of
9 an overpayment, so it was our determination that we could
10 keep the stake schedule the same and still offer pretty good
11 sized overnights.

12 COMMISSIONER SHAPIRO: So would it be fair to say
13 that this is projecting that business would be the same as
14 what it was last year at this meeting, which I know you did
15 not conduct and I'm not making any comments about it, I'm
16 just saying it's basically you're projecting that this meet
17 will do similar to what it did last year, in your opinion?

18 MS. THURMAN: In average, the nine totals, it's a
19 shorter meet.

20 COMMISSIONER SHAPIRO: Okay. Well, then I guess
21 I'm going to jump ahead and get to what I'd like to hear
22 more about is exactly what you're going to do in terms of
23 what you're doing to promote this meet.

24 What I saw here was that -- I saw your promotional
25 items that are listed on various days. But what I didn't

1 see, and I'm curious to know, is what is the budget and what
2 will you be expending to promote this meet?

3 It's my understanding that last year that
4 approximately \$80,000 was spent in advertising for this
5 entire meet by the prior racing -- by the prior operator.

6 And I'd like to know, as you've given us
7 assurances before, that this meet is going to be better.
8 I'd like to get a better understanding of what it is that
9 you're going to do to promote this meet in terms of media,
10 advertising and other items.

11 MR. LIEBAU: It's our hope and prayer that it
12 would be better, Commissioner Shapiro, but right now I think
13 that, for whatever reason, out-of-state wagering is down
14 rather substantially in California, both in Northern
15 California and in Southern California.

16 As far as our media buy, which you were referring
17 to, it will be somewhere in the neighborhood of four times
18 what it was last year. We are revamping group sales and we
19 are going to concentrate on having family days on Sunday, at
20 Hollywood Park and, hopefully, you know, we would like for
21 some day for Hollywood Park and Sundays to be synonymous
22 with family days, that's where we're going.

23 We will continue to have the concerts on the
24 Friday nights. I have to say that I think that I'm not too
25 sure how much fans we generate through the concerts, but

1 we're not giving up on them at this point in time.

2 Mike Siegler's here, who heads our marketing
3 department and he'll be glad to address your questions.

4 MR. SIEGLER: Just so you know, the marketing
5 plan, I'm still fighting with Jack to spend more money, so
6 it's a constant battle. But I think we're going to be in
7 good shape as far as promoting this fall meet, compared to
8 last year.

9 And, actually, I'm really looking forward to
10 getting down there and throwing out some good promotions, as
11 compared to what I think has been thrown in the past.

12 COMMISSIONER SHAPIRO: Well, I'm coming from the
13 place where after the last fall meeting I was critical of
14 that meet, I thought it was a dismal meet, and it was a very
15 sad situation for racing to see that the meet was so poor.

16 It then came to light that they only spent \$80,000
17 to promote an entire race meet and that was even more
18 disillusioning and, in my mind, was maybe part of the
19 problem.

20 When we talked about, at prior meetings, that your
21 company would be taking over Hollywood Park, we've been told
22 that there would be improvements and I'm trying to simply
23 get a handle on those.

24 Also, I see in the application here, "describe any
25 improvements to the physical facility in advance of the meet

1 and that will directly benefit," and then it goes on to
2 fans. And what it says here is "other improvements to be
3 determined."

4 And I'd like to know what those improvements are
5 as well. Again, all of my questions are going to the point
6 of I don't want to see what happened last year at this
7 racing meet. You know, Hollywood Park is one of our premier
8 racetracks and I'm looking for you to do great things, and
9 I'd like to know what those plans are that's going to make
10 it different.

11 And in this application I couldn't glean that,
12 other than promotional days that were outlined with
13 scratcher cards and the other promotions.

14 MR. LIEBAU: Well, I think that we're planning to
15 have some sort of promotional activity on every day of the
16 meet.

17 As far as things that are being done, I think that
18 I would hope that, you know, you would give us a chance.
19 And assuming that we aren't going to tank this meeting,
20 which we aren't. And that has not been the history of this
21 company and we don't intend to do that.

22 As far as the improvements that are being made to
23 the physical plant, I will say that I am more inclined to
24 make improvements that will benefit the horse right now,
25 than the people.

1 Frankly, one of the problems that we have at
2 Hollywood Park, and have had for a long time, is during the
3 fall/winter meet, in inclement weather, the horses have to
4 be saddled in the tunnel. That is a problem as far as
5 safety is concerned to both the horses and the people that
6 are saddling those horses.

7 We now have ten stalls under construction in the
8 paddock area, so that there will be a total of 13 stalls, so
9 that during inclement weather we will not have to saddle
10 horses in the tunnel.

11 We have under construction a group sales area that
12 is being expanded.

13 We've been there for less than a month, I think
14 that we've had the management team in gear and everybody is
15 doing everything they possible can to make this meet a
16 success.

17 There are a lot of variables so, as far as the
18 economy, which I'm a little bit disturbed by the drop in
19 out-of-state wagering.

20 Bay Meadows is up substantially in California at
21 the moment and is down 13 percent in out-of-state wagering.
22 I understand that Oak Tree is down 15 percent in out-of-
23 state wagering. These are things that we don't have any
24 control over.

25 But we'll do our damndest to make the meet a

1 success.

2 COMMISSIONER SHAPIRO: Well, I certainly hope that
3 is the case. A few minor questions. On the website, will
4 you be posting photo finishes or will there be a place that
5 they're posted for people that want to see them?

6 MR. LIEBAU: Absolutely.

7 COMMISSIONER SHAPIRO: Okay. And under medical
8 services you say the Curlin Job Clinic. Is there actually a
9 doctor on the premises?

10 MR. LIEBAU: Yes.

11 COMMISSIONER SHAPIRO: So there is a physician
12 there in case of an injury and things like that?

13 MR. LIEBAU: Right, yes.

14 COMMISSIONER SHAPIRO: Okay, thank you.

15 VICE CHAIRPERSON BIANCO: Jack, can I ask one
16 question?

17 MR. LIEBAU: Sure.

18 VICE CHAIRPERSON BIANCO: The 15 percent drop off
19 that you see from out of state, is that in the southeastern
20 United States area?

21 MR. LIEBAU: Well, I don't think it's been
22 isolated. We're hoping that that's where it is.

23 VICE CHAIRPERSON BIANCO: Thank you.

24 CHAIRPERSON HARRIS: Just a couple of housekeeping
25 type things. On your insurance certificate you need to

1 show -- the company that's applying for the license needs to
2 be on the certificate, where it's showing the parent
3 company, but the subsidiary.

4 MR. LIEBAU: Okay.

5 CHAIRPERSON HARRIS: And, also, you've got the
6 balance sheet that shows a million dollars net worth, but I
7 think in addition to that isn't there also some corporate
8 guarantees?

9 MR. LIEBAU: Well, I believe, and I've had some
10 discussions with Commissioner Shapiro about that and the
11 thought was that there should be at least \$5 million in sort
12 of cash assets.

13 When we were licensed for the off-track wagering
14 there was a million dollars in cash. As a condition of
15 licensing we would suggest that we be required to submit a
16 letter of credit for \$4 million, and the terms of the letter
17 of credit would be those set forth by staff, providing that
18 they're commercially feasible. I mean, you know, they have
19 to be acceptable to any reasonable financial institution.

20 COMMISSIONER SHAPIRO: I probably should have said
21 something. I didn't raise that issue because Mr. Liebau and
22 I have corresponded on that and I thought it was acceptable.

23 MR. LIEBAU: It is.

24 COMMISSIONER SHAPIRO: And we're talking about
25 something that's commercially reasonable.

1 One last question I did forget. You're going to
2 race Friday nights and under the --

3 MR. LIEBAU: Two Friday nights.

4 COMMISSIONER SHAPIRO: On the two Friday nights
5 that you're racing, in terms of simulcasting, you have here
6 that you won't be importing any races for harness racing.
7 There is harness racing at Cal Expo and it was my
8 understanding that you're required to take that signal.

9 So I question whether or not you will, in fact, be
10 taking that signal.

11 MR. LIEBAU: Okay, well that -- you might want to
12 correct that in the application, that that signal will be
13 throughout the facility at Hollywood Park and you will put
14 it throughout, I'm assuming, like any other simulcasting;
15 correct?

16 MR. LIEBAU: Yes.

17 COMMISSIONER SHAPIRO: All right, I wish you the
18 most success.

19 MR. LIEBAU: We're not going to go other places,
20 okay.

21 COMMISSIONER SHAPIRO: Thank you, Mr. Liebau.

22 MR. LIEBAU: And I know the importation of harness
23 racing is a very sensitive subject.

24 CHAIRPERSON HARRIS: How's your turf course
25 shaping up?

1 MR. LIEBAU: It looks very nice. It's green. And
2 as I told somebody, we haven't painted it. Now, you know,
3 the proof is going to be in the pudding when the first races
4 are run over it, but all the reports are that it's
5 progressing satisfactorily.

6 CHAIRPERSON HARRIS: I think it will be good that,
7 hopefully, it's going to be a great, new course because
8 there's been a lot of problems in the past with Hollywood
9 Park's turf course to get the trainers and jockeys out there
10 and show them --

11 MR. LIEBAU: Well, it won't be because we haven't
12 tried to do everything possible. And we'll see what God and
13 money does.

14 COMMISSIONER SHAPIRO: And you remember last year
15 we had a lot of problems with races that were being switched
16 from turf to dirt and dirt to turf. You might want to meet
17 with the trainers and the jockeys well in advance so that,
18 you know, you have a procedure in place, and including the
19 stewards, because last year it was pretty --

20 MR. LIEBAU: I think that was because of the
21 condition of the turf course.

22 COMMISSIONER SHAPIRO: And I'm assuming that the
23 turf course will be great and it won't happen.

24 MR. LIEBAU: That it will drain, which was a
25 problem.

1 COMMISSIONER SHAPIRO: And if, for some reason,
2 there's a problem, let's not get into what we had last year,
3 which was just horrible.

4 MR. LIEBAU: Right.

5 CHAIRPERSON HARRIS: Any other questions on
6 Hollywood Park's application, comments from the audience or
7 the Board?

8 Can I have a motion?

9 COMMISSIONER GRANZELLA: So moved.

10 COMMISSIONER MORETTI: But with that correction in
11 there, we should put that in.

12 COMMISSIONER SHAPIRO: Yeah, I will -- it's been
13 motioned. I'd like to amend the motion to include that the
14 letter of credit that was described will be part of it, as
15 well as the simulcasting of any night signal that is going
16 on at the same time that they're running at night. If the
17 author of the motion will accept that amendment?

18 CHAIRPERSON HARRIS: I accept that amendment.

19 COMMISSIONER GRANZELLA: Second it.

20 CHAIRPERSON HARRIS: Okay, it's been moved and
21 seconded. All in favor?

22 (Ayes.)

23 CHAIRPERSON HARRIS: All right, welcome to a new
24 racing association.

25 Item two is discussion and action by the Board on

1 amending the races dates of the recently approved license of
2 the Pacific Racing Association to October 19 through
3 December 19th.

4 SENIOR MANAGEMENT AUDITOR REAGAN: Good morning,
5 Commissioners. John Reagan, CHRB staff.

6 Yes, earlier this Board approved an application
7 for Pacific that started in October and went through early
8 2006.

9 As you know, during the dates allocation process
10 Bay Meadows and Golden Gate Pacific traded dates and,
11 therefore, it's Bay Meadows that will be started on December
12 26th. Therefore, to make it official, to make it perfectly
13 clear, we added this item so that the Pacific license could
14 be amended to reflect that they will be ending on December
15 19th and, of course, we know then that Bay Meadows will
16 start on the 26th.

17 So that's what it's for and we recommend your
18 approval.

19 CHAIRPERSON HARRIS: Thank you. Any comments? As
20 I understand it, this has been pretty well bought into by
21 all the different stakeholders?

22 SENIOR MANAGEMENT AUDITOR REAGAN: Absolutely.

23 COMMISSIONER SHAPIRO: This is pursuant to the
24 dates meeting and the dates that we approved, and I would
25 recommend that this also be approved.

1 CHAIRPERSON HARRIS: Yeah, it's always been
2 somewhat debatable as far as the best format in the north.
3 I, personally, like the shorter meet format, but some people
4 would like to do it the way it was previously.

5 SENIOR MANAGEMENT AUDITOR REAGAN: It's certainly
6 one of the most amended formats we've had.

7 CHAIRPERSON HARRIS: Is there a motion on this?

8 COMMISSIONER MORETTI: I would move to approve the
9 motion.

10 CHAIRPERSON HARRIS: Is there a second?

11 COMMISSIONER GRANZELLA: Second.

12 CHAIRPERSON HARRIS: It's been moved and seconded
13 to approve the change of race dates at Golden Gate Fields.

14 All in favor?

15 (Ayes.)

16 SENIOR MANAGEMENT AUDITOR REAGAN: Thank you.

17 CHAIRPERSON HARRIS: The third item is discussion
18 and action by the Board on the need for adequate camera
19 views/angles of racing, particularly the view from the
20 5/16th pole.

21 EXECUTIVE DIRECTOR FERMIN: Yes, I had requested
22 that this be put on the agenda in that the steward's
23 committee and the stewards have been very diligent in
24 putting up the inquiry sign and such, and we had quite a
25 discussion, as many of you know, during the Del Mar meet,

1 and I'm sure Craig doesn't want to hear about head on turf
2 anymore, or anything.

3 But I was up at Bay Meadows recently and in the
4 video department the head on for the turf was very good, and
5 I spoke with a gentleman there and he explained that what
6 could be added to that system.

7 And for many years both the stewards and the
8 riders have indicated that they would like to see a camera
9 that would bring the fields around to the 5/16. And I think
10 that Del Mar is going to try to make that change next year.

11 And I believe, when I spoke with some people at
12 Bay Meadows that they thought this was a possibility. And I
13 would just like to see if maybe the Board would support the
14 position that the major tracks have cameras that come
15 around.

16 There's a blind spot, the riders know it, the
17 stewards know it, and very often, you know, possible
18 infractions cannot be proven and, therefore, there's no
19 change.

20 And so this is why I had put it on, hoping that we
21 would maybe require a little better camera coverage in the
22 future.

23 CHAIRPERSON HARRIS: I understand that the 5/16th
24 is just before you go into the stretch. It's going to be
25 different at different tracks. But, again, the blind spot

1 we're trying to catch doesn't catch very well on the head
2 on?

3 EXECUTIVE DIRECTOR FERMIN: Around the turn, on a
4 mile track it would be between the 3/8th and the quarter,
5 and it doesn't show depth when -- if riders drop in or
6 horses drop in, it's very, very difficult to prove.

7 CHAIRPERSON HARRIS: Could they do that from the
8 roof or do you have to put a camera someplace, at the right
9 angle to do that?

10 EXECUTIVE DIRECTOR FERMIN: At Santa Anita they
11 had done a trial a few years ago, they put a camera at the
12 end of the grandstand and it helped a lot. I think at Bay
13 Meadows they indicated they might even have a pole that they
14 could attach it to. It would actually be by remote. But it
15 was still a huge step forward.

16 CHAIRPERSON HARRIS: I think it would be good
17 because we get a lot of concern on that. And especially, I
18 think, with today's technology, as I understand it, you can
19 put remote cameras without a lot of major expense and it
20 would solve a lot of issues.

21 Any comments on this?

22 MR. NICOLO: As far as putting --

23 CHAIRPERSON HARRIS: Can you identify yourself,
24 please?

25 MR. NICOLO: I'm sorry. Paul Nicolo, I'm with the

1 Board of Stewards down in Los Alamitos.

2 And I just want to know have they taken into
3 consideration, as a quick fix, a hand-held as opposed to
4 putting up a tower. I mean this is something that could be
5 remedied very quick with a hand-held and with the cameras
6 that they have, to have a stand where it could be
7 implemented immediately.

8 Has that been brought up?

9 EXECUTIVE DIRECTOR FERMIN: Well, I think
10 generally the Associations feel that economically it would
11 be much more feasible to have a fixed or a remote and not
12 additional personnel and, in some instances, a tower that
13 would need to be, for safety reasons and such, for a
14 personnel person.

15 MR. NICOLO: Yeah, I understand that. I mean, it
16 would definitely be better in the run. But I'm talking a
17 meet, that's something that could be done right now, that
18 problem could be alleviated.

19 I mean, everybody's saying we'll get a tower,
20 we'll build a tower, we'll do this but, in the meantime,
21 that's something that can be addressed right now.

22 EXECUTIVE DIRECTOR FERMIN: Well, I think the
23 situation, if I recall it at Bay Meadows, was that there was
24 actually a pole that they could very easily attach it to and
25 have it remote and that, I don't think, has been explored at

1 all the tracks.

2 And so this is just something that I think we need
3 to look into and see how quickly it could be done. But I'm
4 assuming that you are, as a rider, as an ex-rider and a
5 steward, you're saying that it would be very helpful.

6 MR. NICOLO: Absolutely.

7 CHAIRPERSON HARRIS: I think we agree it needs to
8 be done, but we've gotten by without it for 70 years, so I
9 don't think another week or two is probably not going to
10 make a difference, but we do need to get it done.

11 Actually, I think it shouldn't really be described
12 as the 5/16th because I was thinking at Los Alamitos it
13 would be whatever it is there.

14 MR. NICOLO: Yeah, the middle of the turn is where
15 they want to --

16 CHAIRPERSON HARRIS: Yeah, just how would you
17 describe it, just prior to the turn or is that --

18 MR. NICOLO: It's right where the horses change
19 leads and it's usually the 5/16th pole. You know, at Los
20 Alamitos it would be about the eighth pole.

21 COMMISSIONER SHAPIRO: So would it be like at the
22 apex of the turn, pointing right into the stretch?

23 MR. NICOLO: It would be right at the point of the
24 turn is -- exactly, right in there.

25 CHAIRPERSON HARRIS: The apex, I haven't heard

1 that since my geometry classes.

2 But, also, it should be capable of doing the turf
3 course, too. I guess that could be the same camera.

4 MR. NICOLO: Exactly. Thank you.

5 MR. FRAVEL: Craig Fravel, Del Mar.

6 I think, you know, because these tracks are
7 configured a little differently, we have to be careful about
8 specifying too much about this situation, particularly in
9 light of the safety regulations that include certain
10 instruments within five feet of the rail and all that kind
11 of -- or ten feet of the rail.

12 We have the camera, the infamous head-on camera
13 that is a remote, that we won't be needing next year because
14 we'll be putting up a tower and using a separate broadcast
15 quality camera.

16 And it's entirely feasible, we own the other
17 camera that we have, that Mr. Harris likes so much and,
18 rather than donating it to Harris Farms, I thought maybe we
19 could take it up to Hollywood Park and try different
20 approaches with that one.

21 CHAIRPERSON HARRIS: You made a bad buy, you've
22 got to keep it.

23 MR. FRAVEL: Regardless, we'd be happy to try and
24 work with those guys and see if we can -- that's installed
25 on a pole, it's very inconspicuous, and it could be moved

1 around just depending on the wiring, and we'd be happy to
2 make it available to others to try and see how it works at
3 Hollywood at Santa Anita.

4 CHAIRPERSON HARRIS: Because apparently at Bay
5 Meadows they've got a fairly inexpensive camera that's doing
6 something like that.

7 EXECUTIVE DIRECTOR FERMIN: The gentleman I spoke
8 with said that to add on to the remote situation that they
9 have for the head of the stretch it was only about a \$1,200
10 expense.

11 MR. FRAVEL: The remote control equipment's not
12 that expensive. The cameras, if you're going to have
13 appropriate quality in them -- I mean, this camera, even
14 though nobody liked it, costs about \$50,000.

15 The broadcast quality cameras that we use, that
16 are manned cameras, are about \$150,000 apiece.

17 So, you know, if you want to get something, you
18 know, you can always use the kind of Pelco type cameras that
19 are used in security situations, but I think we've all
20 figured out this back stretch security that the level of
21 resolution that you need to actually determine whether
22 something's happening is diminished.

23 So I think for the 5/16th, because it will be a
24 much closer proximity to where the camera's located, that
25 this remote camera that we have might actually be very

1 useful and we'd be happy to share that with everybody.

2 CHAIRPERSON HARRIS: That's good. So I guess it's
3 just an item for discussion, but do we need any action on
4 this?

5 EXECUTIVE DIRECTOR FERMIN: It's just discussion
6 today.

7 CHAIRPERSON HARRIS: Well, I think we just support
8 the idea and, hopefully, this is something that every track
9 would, you know, implement on their own. And I guess if
10 they didn't implement it on their own, we could mandate it
11 as far as their license application.

12 I think what we should do is as future
13 applications come in, we should just talk to the applicant
14 about what they plan to do on this.

15 Okay. Well, we have a very weighty issue coming
16 up here.

17 Discussion and action by the Board on the matter
18 of full public disclosure on Jockey Weights.

19 COMMISSIONER SHAPIRO: Mr. Chairman, before we get
20 underway in the discussion of this item, I'd kind of like to
21 see if can't outline what the objective here was.

22 We've all seen that there were some
23 inconsistencies in New York that we all hope that we don't
24 have to face here but, in light of that, there have been a
25 variety of discussions and meetings that have taken place

1 and it's become evidence that the jockey weight issue, this
2 is not about what the weights are, and it's not about what
3 the minimum riding weight should be, and we are not trying
4 to alter what the horses carry.

5 However, it is clear, at least from my
6 investigation, my review of it and speaking with people
7 that, frankly, we don't have a system in place that is
8 verifiable and allows us to know exactly what weights are
9 actually being carried by the horses.

10 In light of that, what I was hoping to achieve and
11 I think I was the one that asked for this to be on the
12 agenda, was that we could develop a weigh out procedure that
13 was consistent and accurate.

14 When I visited the jockey's room with you and
15 Ingrid last time, it was very evident that there was
16 inconsistency in the procedures that were being used to
17 weight people.

18 Some people came on the scales and they didn't
19 have their colors, some weren't wearing other pieces of
20 equipment, and there were arbitrary weights that were
21 assigned and it was just simply too loose and not
22 verifiable.

23 So I would hope that this discussion is to
24 enlighten us and I would then hope that perhaps, as a result
25 of it, we can get to a place where we can move the jockey

1 scale outside of the jockey's room so that it is transparent
2 to the public and we can insure that all riders are weighing
3 in the same manner, and that we will have some form of
4 verifying what that is, perhaps with scales that are digital
5 and have tapes, and we can keep a record so that it is
6 accurate.

7 So I'm not sure, there's been a lot of outpouring
8 of comment and sentiment regarding this issue and a lot of
9 it's been quite emotional, and I don't think it has to be an
10 emotional issue since we're not trying to alter what the
11 horses carry.

12 So I think that as we go through this that we need
13 to understand and see exactly what items are being weighed,
14 what items aren't being weighed, and determine if we have to
15 revise our rules and hope we make full disclosure to the
16 public of what the horse is carrying.

17 Because clearly, right now, that when I first got
18 on the Board I was surprised that when it said 120 pounds on
19 the program, that wasn't what the horse was carrying.

20 So I just wanted to make that statement before we
21 got started on this issue.

22 CHAIRPERSON HARRIS: Thank you, Richard, I agree
23 completely.

24 This item is clearly on here for disclosure and a
25 separate item is jockey weights in general, as far as are

1 they too light, or too heavy, or what. But this has nothing
2 to do with the health issue, which basically the other
3 jockey weight does.

4 This is just that the public right now, we're
5 concerned that the public really understands how much a
6 horse is carrying, regardless of what it is, and that it
7 needs to be a level playing field where what they see is
8 what they get.

9 So that said, who's going to go first?

10 MR. GUSMAN: Mr. Chairman, members of the
11 Committee or Board, Shane Gusman, law office of Barry Broad,
12 here on behalf of the Jockeys' Guild. I appreciate you
13 letting us speak on this issue.

14 I think from the Jockeys' Guild perspective, they
15 don't have a problem with transparency, consistency,
16 verifiable weights. In a sport like horse racing, that's
17 probably a good thing and the Board should be moving in that
18 direction.

19 The only concern, I think that I've heard, that's
20 been raised, is the process by which you do it and the
21 ultimate result. And the concern mainly is that you have
22 unintended consequences, negative unintended consequences
23 coming from what you do. And that being the health issue
24 that Commissioner Harris just spoke about.

25 Our concern is that if we start looking at what is

1 weighed and the inconsistencies, that it's not as straight
2 forward as one might think, and the concern is that we end
3 up in a place where the scale of weights is reduced, either
4 unintentionally or -- and so we want to avoid that, and I
5 don't think that's the intention, and I know that's not the
6 intention, but we just want to make it clear that that's
7 where we're at.

8 I think people have been comforted, over the last
9 few days, by conversations that have been had with the
10 Board, and the staff, and I think the idea of moving slowly,
11 a pilot project, perhaps, is a good idea.

12 But, again, we are in support of transparency.

13 And I have with me Darrell Haire, of the Jockeys'
14 Guild, to talk about the specific issues and answer any
15 specific questions you might have on the weights and how it
16 works, now.

17 COMMISSIONER SHAPIRO: Well, let me start it out
18 with it's my understanding that what we currently do is that
19 we will have a -- we take the nude body weight and we add to
20 that the silks, the pants, the boots, the saddle, the
21 undergarments, and I think that's all which are added to the
22 weight, which has historically been what the jockey has been
23 weighed with.

24 And based on my understanding, that number, with
25 the additional equipment or items the jockey has on his

1 person, that the range of weight for those items is about
2 5.8 to 7.2 pounds.

3 Those items that are not included in the weight
4 and are excluded specifically in our regulations, defined as
5 safety equipment, has been the vest, the helmet, the eye
6 goggles, and those items weigh about 2.9 pounds.

7 Now, in addition to that, the horses are carrying
8 other items that are not in front of the girth, which
9 include the saddle cloth, the pommel pad, the chamois, the
10 channel, and the whip, which are approximately 3.6 pounds.

11 So let's at least get the facts of what we're
12 talking about on the table. All of those items, combined,
13 add up to 12.3 pounds on average. And I understand there
14 are variations, that a helmet can weight from one different
15 weight to another, and some of the other equipment can as
16 well. And so there are some variances.

17 What we have to come to and maybe in terms of
18 helmets, as long as they're safety approved, we don't want
19 people going out with vests that have been -- the foam has
20 been taken out of it, or whatever is inside the vest, and we
21 don't want people going out in cardboard helmets, so we need
22 to make sure that the equipment is, in fact, safety
23 equipment.

24 But we also want to disclose to the public what it
25 is that these horses are actually carrying. And so I think

1 that what we have to come up with is how we weigh the
2 jockeys, should they be weighed outside the room, which is
3 my preference, including everything that they will have on
4 their person, which would include the vest, the helmet, and
5 the whip, and the other safety equipment.

6 The only things then not weighed would be those
7 items that are excluded, are the saddle cloth, and the
8 chamois, and those latter items which are placed on the
9 horse by the trainer, who may bring them with them.

10 So the question is how can we work through a
11 system so that we can then put notations in our program of
12 what is excluded, and how we get to the weight, and the
13 weight will be a certain amount, and either list those items
14 which are excluded and what the approximate weight of those
15 are, or do we try to find a way to put all of those things
16 into the weight, which can never be totally accurate since
17 some of them come with the horse.

18 So Darrell, why don't you show us, maybe, some of
19 the items that you brought and we can come up with how best
20 to do this.

21 MR. HAIRE: Commissioner Shapiro, Chairman Harris,
22 Mr. Harris, and members of the Board, Darrell Haire,
23 national member representative of the Jockeys' Guild.

24 We've spent, and actually the last couple of
25 years, a lot of time with this equipment, just to get it

1 down, because to have a better understanding because, there
2 again, there are so many variables in this procedure.

3 What we're trying to do and I'll show you just
4 exactly what everything weighs, because everybody thinks
5 they know what it weights, and it's incredible, people
6 don't. So we need to show you that, first, so everybody
7 gets a real idea, and then we can address how, maybe, we can
8 come up with that solution for this.

9 CHAIRPERSON HARRIS: Actually, the Fair here, I
10 was thinking, they've got some booths, sometimes, where a
11 guy will estimate your weight, maybe we could have him come
12 over to the jock's room and just put down what the estimate
13 is.

14 MR. LICKUA: I'm Paul Lickua, I'm currently on the
15 Board of Stewards at Los Alamitos. But I've been a clerk of
16 scales for the last ten years at Bay Meadows and Golden Gate
17 Fields. Before that I spent 20 years trying to cheat the
18 scales and the last ten years trying to stop the cheating,
19 so I've got a pretty good view of both sides.

20 There are so many things that -- in a perfect
21 world, you have the riders checking and going right out.
22 That doesn't happen. The mass confusion, the organized
23 chaos of the jocks between races, you can't have them,
24 everybody lined up, ready to go, hop right out.

25 After the race, the riders are changing, cleaning

1 up. They're running in there, I'm checking them. Sometimes
2 they won't have a t-shirt on, like Richard was saying,
3 earlier. They'll weigh in with the minimum amount just to
4 get to that particular weight.

5 Reducing riders, if you have a horse in light, and
6 you finally, when you get on the scale, the first thing you
7 do when you get off that scale, I don't care who you are,
8 when you turn the corner to get your vest and stuff on is
9 you're downing about a quarter of Gatoraide. It happens,
10 you know, I'm not going to tell you different, and there's
11 difference there.

12 Like I say, everybody, from the time they step on
13 the scale before they go out the door there's going to be
14 significant changes. And I'd like to say --

15 COMMISSIONER SHAPIRO: Well, let me ask a
16 question, if we move the scale outside the door of the jocks
17 room, every jockey -- the way -- when I was in the jock's
18 room the other day, the clerk of scales say, okay, riders,
19 it's time, all the riders then proceeded to the door and
20 walk out the door.

21 Why couldn't we one minute earlier, or two minutes
22 earlier say, okay, jocks, time to come out, and it's at that
23 point they line up with a scale that's outside the room,
24 they get on the scale, their weight is taken, they've got
25 all their equipment on and then they move and they proceed

1 to the horse. Why wouldn't that work?

2 MR. LICKUA: The difficulty there would be you'd
3 need more time between races. When I check in the last
4 rider, if the scale's down after the race, usually there's
5 25 minutes to post. By the time we get to the room let's
6 say there's 23. The riders are cleaning up and all this,
7 and I'm yelling at them to come and check the ones that
8 didn't ride that particular race, I'm checking them. And in
9 the meantime, the tack is going out to the paddock.

10 We're talking -- if we just say there's five
11 minutes just between getting the riders that have already
12 been waiting in the room to check, to get the other riders,
13 another two minutes, then the horses should be saddled, they
14 want to be saddled by 16. The tack is out there while the
15 riders are still in the room. They're ringing the buzzer
16 for the riders to come to the paddock usually at 15 minutes.

17 So ten minutes time from the time that the last
18 rider checks in after the race, down at the scales out in
19 front by the winner's circle, and they have ten minutes'
20 time to change and get the horse saddled before they have to
21 go out to the next race.

22 When there's races where you call, and if you're
23 in the steward's stand or they call for a couple of minutes,
24 you know, they need another two minutes to line up for
25 simulcasting, they get two minutes. The riders, and the

1 people in the jock's room don't give them two minutes,
2 that's another two minutes that they lose where you're
3 running around, and the paddock judge is buzzing, we need
4 the tack down here, now. I'm yelling at the riders, you
5 know, come on, I've got to check. You know, they've got mud
6 all over themselves and they're telling me -- well, I won't
7 tell you what they're telling me. But it's just mass
8 confusion all the time.

9 There's not enough time between the race. I mean,
10 if you give them more time, it would be --

11 COMMISSIONER SHAPIRO: But they are having to get
12 on a scale, they have to get on a scale.

13 MR. LICKUA: Oh, absolutely.

14 COMMISSIONER SHAPIRO: So what is the difference
15 that they get on a scale inside the room versus outside the
16 room, is there any difference to that?

17 MR. LICKUA: There is, there's no safety vest.

18 COMMISSIONER SHAPIRO: No, I'm suggesting that
19 they get on the scale with the helmet, with the safety vest,
20 with their whip.

21 MR. LICKUA: Well, that would have to be you'd
22 have to change the rules because of the --

23 COMMISSIONER SHAPIRO: I understand that, I
24 understand that. If you did that and you go right from
25 there, they head out to the horse.

1 Now, I understand that preceding the jockeys the
2 saddle, and the saddle crop, and certain other items go out
3 in advance of that, that are given to the trainer, so the
4 trainer can saddle those horses.

5 So if the scale is outside the room, when the
6 valet goes out and he says, I'm -- here's number three, he
7 puts his equipment on the scale. Let's say you're the
8 clerk. You say, okay, clerk, I've got the equipment it's,
9 you know, three pounds. Fine. He now goes out to the
10 trainer, the trainer's not delayed because that equipment
11 was weighed.

12 The next thing is that when the jockeys are
13 called, they get on the scale fully clothed, vest, helmet,
14 everything else. Wouldn't that at least give us a
15 verifiable weight of those items?

16 MR. LICKUA: Of the items that you sent out, yes.
17 With the items that are sent out are you including a saddle
18 cloth which -- geez, we'll show you saddle cloths that will
19 weigh from half a pound to over two pounds.

20 COMMISSIONER SHAPIRO: I understand that. What
21 I'm trying to do is, though, we may end up where we create a
22 category of, let's call it, new excluded items or items not
23 previously weighed, whatever it is, if we wipe the slate
24 clean.

25 What we're trying to do is get consistency here

1 and the only way to do that, because we all know that there
2 are certain jockeys that will go onto the scale, then they
3 go back to their locker. When they go back to their locker,
4 let's say we've got a guy that rides very light, he may come
5 to the scale and, for all we know, he may have a bunch of
6 stuff stuck in his hands to weigh heavier.

7 MR. LICKUA: I've had that problem.

8 COMMISSIONER SHAPIRO: He goes back to the locker
9 room, back to his locker, now he empties out his pockets,
10 he's able to go out there and cheat the system. We're
11 trying to stop that.

12 If the scale is outside the door, he can't do
13 that. So by moving the scale outside the door and weighing
14 the excluded items -- the items separately, by the valet,
15 and you add those two together, wouldn't we come up, at
16 least, with a verifiable weight and know that we had
17 honesty, integrity and that knowing what went out there was
18 weighed?

19 MR. LICKUA: Riding -- the problem is riding with
20 the less weight has not been a problem. The problem is over
21 weight. There are very few instances where someone is
22 under. I don't think that's even close to the issue.

23 COMMISSIONER MORETTI: That's not our point. The
24 premise here is that we have to maintain the integrity, the
25 honesty, the transparency. So that's what the

1 Commissioner's getting at. It's not about the weights right
2 now and it's not about the health issue.

3 MR. LICKUA: If we do it, if there's time and we
4 do it like you say, if this goes like that, I see no
5 problem.

6 COMMISSIONER SHAPIRO: Okay, let's just set aside,
7 put to the side the way we now do it, just forget that.
8 Okay. We're starting a new system. We move the scale to
9 the outside and we say to all jockeys, you have to weight,
10 before you go to the horse, outside the room, and you have
11 to be fully dressed.

12 So you're carrying your whip, you're carrying your
13 helmet, you've got your goggles, you've got your silks,
14 there's nothing that he isn't going to have. We will get
15 one weight.

16 You then say to the valet, who had to go out
17 before then, everything that you're taking out to the
18 trainer to help him saddle his horse, you weigh that
19 equipment.

20 We now have a second item, we now will know
21 everything that the horse will have on his back, except for
22 any items that the trainer would bring, such as if the
23 trainer's using his own chamois, or things like that, which
24 we'd have to figure out.

25 MR. LICKUA: Well, they'd have to bring that. And

1 that system would work, that's a --

2 COMMISSIONER SHAPIRO: So that system would work.

3 MR. LICKUA: That's a viable --

4 MR. HAIRE: If there's enough time, Commissioner
5 Shapiro. Because what would happen is the valets, there's
6 so many changes at the last minute, their girths get real
7 wet, they're heavier The Valets would have to be running in
8 and out, that's what my concern is because there's a lot of
9 changes the last minute.

10 COMMISSIONER SHAPIRO: I understand. So they're
11 changing. They can change, they can do whatever they want.
12 But when they walk out the door, they've made those changes.
13 They're making those changes, anyway.

14 MR. HAIRE: No, when you get on the scale that's
15 when the changes are made. When they walk out the door to
16 weigh, that's when the changes are made. There's a lot of
17 changes, add a pound, then they'd have to go back in the
18 door. And all I'm saying is it's going to be time
19 consuming.

20 If you give us more time in between the races,
21 yes, this could work, no doubt. If you want full
22 disclosure, this could work, but they need plenty of time to
23 make those changes. They're already rushed as it is. This
24 would never work unless they have plenty of time in between
25 races.

1 MR. LICKUA: Who would -- in the case of -- okay,
2 the tack's gone, the tack weighs three pounds. The horse
3 has 15 on it, the tack has three pounds, the jock's supposed
4 to weigh 12 and he gets up there and he weighs ten, what do
5 we do now, call for the tack to come back.

6 COMMISSIONER SHAPIRO: Well, what you do now
7 is -- I'm assuming that the perfect scales would say number
8 three came in combined two pounds under. And if there was
9 lead, if there was a box in the saddling area where you
10 could radio out to the paddock judge and say number three
11 needs two pounds, why couldn't two pounds be added to the
12 horse right there?

13 MR. LICKUA: Where would you suggest we put the
14 two pounds, I mean, it's --

15 COMMISSIONER SHAPIRO: Where is it now?

16 MR. LICKUA: Now, they have pads that are weighted
17 pads. You know, they used to be lead and lead pads and we
18 used -- a lot of the saddles don't have pouches for the
19 lead. Then you'd have to send out a lead pad.

20 As it is, we have separate pads. Because I had a
21 trainer who used to ride and he said, you're not weighing
22 these horses, right? And he'd come out with one saddle, the
23 same saddle, and he did 18 in it, and then the next race he
24 did 15 in it and he said, that's not right, it's the pads
25 underneath are weighted. So in the case that --

1 COMMISSIONER SHAPIRO: Are saddles -- so none of
2 the saddles have pouches anymore?

3 MR. LICKUA: They do, very few. Most guys are
4 going with one saddle, now. Before, when we had big saddle,
5 a little saddle, you know, a medium-sized saddle, and you
6 had some where you put weight in them, we don't do that
7 anymore because now we have the pads that change. So you
8 can ride with one saddle all the time. The valets love it
9 because they don't have to clean two or three saddles. But
10 you have the pads underneath there, now, that are weighted.

11 CHAIRPERSON HARRIS: Can you just add weight to
12 the pad, though, and so the pad --

13 MR. LICKUA: No, they're regular -- that's
14 something we didn't bring is a -- we brought a light pad, a
15 foam pad, which we don't use a lot because, like I said,
16 they have the black pads, now, which you can get them
17 up -- you know, it will have a number on it, it will go from
18 a pound, the heaviest I've seen is ten pounds. The same
19 pad, they all look exactly the same.

20 CHAIRPERSON HARRIS: Well, that would be the same,
21 you just have a bunch of pads and you pick out the one that
22 you need.

23 EXECUTIVE DIRECTOR FERMIN: Yeah, couldn't there
24 be just like a rack that here's the ones, twos, whatever you
25 need, just to the side where, for instance, trainers pick up

1 their tongue ties and other things that would be available
2 it you called that out.

3 MR. LICKUA: It could be down there, yes. You
4 could have that at the paddock, that would be the way it
5 would have to be.

6 COMMISSIONER SHAPIRO: There can be a scale in the
7 jockey's room for the valets and for the jockeys to use, but
8 the official scale is outside the room. That way they would
9 know what kind of pad they would need to wear,
10 theoretically.

11 MR. LICKUA: But, again, remember, we're doing
12 this in approximately five minutes time between races.

13 COMMISSIONER SHAPIRO: I understand that time is
14 an issue and -- we understand that. But we owe it to the
15 public, we owe it to the sport to have integrity and make
16 sure that we have horses going out there with the proper
17 weight. And, clearly, we don't. Clearly, we don't right
18 now. It's all over the board.

19 MR. LICKUA: We're trying to perfect it in --

20 COMMISSIONER SHAPIRO: I know we're trying to.

21 MR. LICKUA: -- an imperfect system and it's --

22 COMMISSIONER SHAPIRO: We have to go back and look
23 at the entire system. I mean, perhaps what would be the
24 best solution would be that -- I would, in respect to you,
25 Shane, I would like to see this done sooner, not later, but

1 I also believe that it has to be done with good thought to
2 it.

3 And I would like to recommend that perhaps we
4 could have a meeting of the Jockeys' Guild, the Clerk of
5 Scales, the Stewards, management, and we have a meeting next
6 week. And I would like to see that before we come back to
7 our next meeting that we have put together a plan of how we
8 could revamp the weighing procedures to get to where we
9 could have a verifiable system that is full disclosure to
10 the public. We may have certain items that are disclosed,
11 that are not included in the published weight, but we would
12 clearly indicate those in every racing program that we put
13 out.

14 So that the public understands that when a horse
15 is going out there under 120 pounds, well, he's really
16 carrying 126 pounds, and at least the public understands
17 that. That's where I feel duped and I don't like it.

18 So it would be my recommendation, and I would like
19 to participate in this meeting, that we get some of the
20 track management, we get TOC, CTT in a room and we try to
21 work out a new procedure and come back to the Board in one
22 month.

23 MR. LICKUA: I think that procedure, it's not
24 going to get worked out here. It will get worked out in the
25 field. And I think that they tried a pilot program in Santa

1 Anita just last week and --

2 COMMISSIONER SHAPIRO: Well, that pilot program
3 has resulted in more confusion and more upset.

4 MR. LICKUA: So do some more pilot, do it in the
5 field. You're not going to get it settled here. Implement
6 it and do some more pilots.

7 COMMISSIONER SHAPIRO: But, Paul, what I'm saying
8 is we're going to meet -- I'd like to meet next week to go
9 through how we can put a pilot program together.

10 MR. LICKUA: Exactly, that would be the way to do
11 it, it would seem like. And test it. Before you make your
12 decision, test it out in the field.

13 CHAIRPERSON HARRIS: We need to walk through each
14 step of the program and see if it really does take so long
15 or how you address different things.

16 MR. HAIRE: That was the problem, Chairman Harris,
17 as you know, the confusion, because people don't understand.
18 This, with the pilot program that's been implemented the
19 last few days at Santa Anita, has worked. This is as close
20 as we can get it and it's worked. It's just the trainers
21 don't understand it. But it's not anything more than
22 they've already carried, it's just they're all coming back
23 when they weigh back in and it's right on.

24 COMMISSIONER SHAPIRO: Well, again, what I would
25 like and I'll be glad to chair an ad hoc committee to study

1 this and, hopefully, we can meet between now and our next
2 board meeting and get racetracks, and CTT, and everybody in
3 the room. Because the trainers are flipping out and they
4 don't need to. The jockeys don't need to be concerned. We
5 are not adding weight, that's not what we're trying to do.
6 We're simply trying to make sure that what we're doing is
7 honest.

8 CHAIRPERSON HARRIS: That would be good. We can
9 even do it today, to some extent, just go down to the --
10 people, it's really important, I think Paul's right, to see
11 all of the stuff that's going on there and see -- but there
12 might be some way to simplify it.

13 But the goal is to have a transparency, which
14 right now, we might as well put in the program we don't have
15 a clue what this horse is carrying.

16 MR. LICKUA: Absolutely.

17 COMMISSIONER SHAPIRO: So is that acceptable to
18 the Chair, that we form an ad hoc committee to do this?

19 CHAIRPERSON HARRIS: Yeah, I think we should.

20 COMMISSIONER SHAPIRO: And come back and meet, and
21 report back at our next Board meeting of what the outcome is
22 to that.

23 Is there anybody in the audience who also --

24 CHAIRPERSON HARRIS: Let's walk through it at
25 different tracks, too, because what might work at one track

1 might be a little different configuration in the jock's room
2 or how far it is to the paddock, and this and that. So
3 let's go through and see that it fits, you know, a different
4 situation, or some version would.

5 Who else would like to be on that committee?

6 VICE CHAIRPERSON BIANCO: You know, we could have
7 procedures, to be very honest with you, but I feel, and I'm
8 speaking from in here, right, I don't want to see anybody,
9 especially a jockey's health deteriorate, but I think we've
10 got some jockeys that just have an extra five to seven
11 pounds that are creating most of this problem, and most of
12 this talking back and forth. Because we can implement
13 something, or do something that, hey, this is mandatory.

14 But for the jockeys, and some of them are leading
15 riders, that have too much weight on them. And I'm talking
16 where they're not even 118 pounds, I'm talking that they're
17 over that. And I can point them out to you, tell you who
18 they are, but I'll never go public with it unless I was
19 doing it under oath and I couldn't be sued.

20 But some of these people better take some poundage
21 off their rumps because they're getting too wide in the
22 saddle.

23 MR. HAIRE: And, Chairman Bianco, what I'd like,
24 really, for the Commission to look at also is until the
25 study is completed for the jockeys, their health, is the

1 racing secretaries in California are all in the same page,
2 so when the riders go up north they don't have to do a lot
3 lighter, or wherever. They should be on the same page, so
4 they're all writing their condition book, you know, close
5 together.

6 COMMISSIONER SHAPIRO: Well, I believe they are
7 and I've sat in meetings with some of them where they have.
8 And, again, this is not about the scale of weighs, but I
9 believe that they are, and they are meeting, and they are
10 talking, and they are trying to create consistency
11 throughout the State. So I know that they have met because
12 I've sat with some of them.

13 CHAIRPERSON HARRIS: Yeah, I wasn't that familiar
14 with our pilot program over the last weekend. Did that
15 result in some riders that were, in fact, over or what was
16 the result that happened?

17 MR. HAIRE: What happened was the lighter
18 riders -- the only ones that objected to it were a couple of
19 light riders, the lightest riders in the room, where they
20 couldn't add the safety equipment like they'd been doing, so
21 they had to add two more pounds of lead and they didn't like
22 that because they couldn't beat the scale the other way.
23 That's what the problem is.

24 Where everybody was on the same level playing
25 field, and that's what the objective was, but they did not

1 like the fact that they could add -- where everybody else
2 couldn't add the safety equipment, they wanted to add the
3 safety equipment. So they had to carry two more pounds of
4 lead, that's all it boiled down to.

5 No one was carrying anything more than they
6 normally ever do, except the lighter riders couldn't take
7 the advantage of that weight.

8 MR. LICKUA: And there was no problems, there was
9 no overage, no big revelation there, as far as that goes,
10 other than a few of the trainers that blew a gasket thinking
11 that they was carrying more weight than they thought.

12 MR. HAIRE: This is what we'd like to show real
13 quick.

14 CHAIRPERSON HARRIS: Go ahead and show it.

15 MR. HAIRE: This is what they have now, this is
16 standard. This is the little saddle, this is the littlest,
17 and this is what they've always checked with.

18 With the silks, riders wear the pants, the shirt,
19 underwear, socks, and boots.

20 CHAIRPERSON HARRIS: Put the stirrups on. What
21 weight are we, is there weight there?

22 MR. HAIRE: Yeah, this is approximately 5.7. This
23 is everything -- this is no cheating at all, this is the
24 lightest they can do. And so this is 5.7 pounds. So in
25 order to do 116, they have to weight 110, that's what he has

1 to weight. That's for 116.

2 CHAIRPERSON HARRIS: But in addition to this,
3 you've got safety equipment.

4 MR. HAIRE: Safety equipment. And this is, again,
5 the vest can weight from a half a pound to two pounds. And
6 the helmet can weigh from a half a pound to two pounds.
7 This helmet is actually heavy. The big helmets you see, the
8 Talzones, that they look like they weigh two pounds, they're
9 the ones that weight a half a pound because the material's
10 unusual. They're real light and people don't realize that.

11 COMMISSIONER SHAPIRO: So let's just take that.
12 If what you just said is true, there could be a variance of
13 three to four pounds on the back of a horse, depending upon
14 what safety equipment is currently not weighed, but is
15 included -- but excluded from the weight.

16 So a jockey could say, I can really ride three
17 pounds lighter than the weight because I use the half-pound
18 helmet and the half-pound vest. He's got a three-pound
19 advantage. Which calls -- which brings into the question,
20 all the more, that we should be including these items in the
21 weight.

22 MR. LICKUA: You know, about 30 years ago, in
23 Kentucky, you had to, for stake races, you're required to
24 check with a helmet. They changed that, I believe, in '77.
25 But there was one rider had a -- they had a Canadian helmet

1 that was really light. All's they used to have was just the
2 Calientes and the Belmonts that we rode in and they weighed,
3 typically, two pounds. And there was a Canadian company
4 built a helmet that was -- it was a fiberglass, it was a
5 bullet-proof fiberglass, it was incredibly light. But their
6 riders would flip the helmet, you know, back to the next
7 rider to check because of the difference there. They
8 couldn't -- nobody else could get a helmet like that and
9 that was a standard thing.

10 CHAIRPERSON HARRIS: Let's get some comments from
11 some of the other stakeholders, too.

12 MR. HAIRE: We've got some more.

13 CHAIRPERSON HARRIS: Oh, you've got some more? Go
14 ahead and show us some more.

15 MR. HAIRE: And this is important because of the
16 variables. The saddle towel, which has never been checked
17 with other wear or in -- the saddle towel is really -- these
18 all came out of Santa Anita, and they're made by the same
19 company. But one weighs a pound and a half, one weighs a
20 half a pound. They can weigh as much as three pounds with
21 the -- so they're all different and that's why they've never
22 been weighed.

23 And we have other equipment that the trainers
24 bring in. This is not weighed. One whip has never been
25 weighed. And this is the additional equipment, the chamois,

1 this is all additional that the trainers can bring in, that
2 we never see, or the jockeys have that they add onto their
3 weight.

4 So, again, this is the --

5 MR. LICKUA: We weighed some saddle towels, the
6 same number, we've got two number ones, one weighed a pound,
7 one weighed a half a pound. Getting it exact, there's going
8 to be a little bit of advantage. I know the small amounts
9 is not what you -- it's the big swings, the things that was
10 in the paper in New York, which was ridiculous. I mean,
11 that's what the main worry is. But just to show there are
12 just the small variables, it's two saddle towels, the same
13 numbers will be a half-pound difference.

14 You know, like I says, I know you're not worried
15 about the small things, but they do add up.

16 MR. HAIRE: When we come back after a race, I
17 don't know what happened in New York, if the scales that
18 they were watching before the race or what I'm thinking is
19 when they say 7 to 15 pounds, when they came back after the
20 race it could have been in the mud, and in the rain, and
21 such apparel, you know it weighs 12 point change, all the
22 equipment, it could have weighed 15 pounds when they came
23 back, when they got back on the scales, if they come back on
24 with everything. That's what I hope happened, that they
25 didn't know what they were looking at.

1 CHAIRPERSON HARRIS: Thank you very much.

2 MR. FRAVEL: Mr. Chairman, Craig Fravel, Del Mar
3 Thoroughbred Club.

4 I think this is one of those issues where,
5 candidly, if we all sit down, like Commissioner Shapiro has
6 suggested, and I don't think it's going to happen in one
7 meeting, there's a lot of different variables and we need to
8 identify, collectively, what the best materials for saddle
9 cloths are, what the best materials for safety equipment
10 are.

11 And I think the law that we all worked on, AB
12 1180, requires this Board next year to actually approve
13 various components of safety equipment, such as helmets and
14 vests.

15 So I think it's incumbent upon you, under that
16 law, to go through the rule-making process and review each
17 type of equipment.

18 I know there are studies going on in Australia
19 right now, for example, about what helmets are best, what
20 vests are the best equipment. And we need to make -- you
21 know, we need to get started now, which is a good idea, and
22 go through all this stuff.

23 I mean, there's no reason, if we're worried about
24 how much weight a horse is carrying, if we have saddle
25 cloths that we can get in at four ounces because they're

1 made out of, you know, microfiber, as opposed to these
2 things we've been using for 30 years, we should stop doing
3 all that stuff.

4 There's too many things in here that we've just
5 been doing for so many years because that's the way we've
6 done them. And I don't think once we all get in the room
7 and talk about it and figure it out that we're really going
8 to be fighting over it very much. Candidly, it's mostly
9 that most of us don't really know what we're doing. I mean,
10 it's a shock to me to hear that we've got all these towels
11 that weigh different amounts. It's kind of ridiculous when
12 you get right down to it.

13 So I would endorse your suggestion, let's get
14 started. Let's not expect we're going to do it all at once
15 but --

16 COMMISSIONER SHAPIRO: Well, all I --

17 MR. FRAVEL: But can I just make one other point?
18 In the meantime, the most important thing, is that somebody
19 be in the jock's room helping out the Clerks of Scales and
20 looking at things as they go along.

21 I asked the Stewards at Del Mar, on a number of
22 occasions, to supervise the weighing out process. I'm not
23 sure how many times that actually happened, or a Board
24 investigator or -- and spot checking is going to go a long
25 way to remedying some of these problems, if we just all pay

1 attention.

2 And it's tough. I mean, ask Paul, I've heard he's
3 a very competent clerk, but the pressure, particularly in
4 riding colonies where there's a lot of money on the line
5 and, you know, you've got high profile guys, there's a lot
6 of pressure on those Clerks of Scales. And, you know, the
7 Racing Board and the officials have to back those guys up
8 and make it -- you know, we need to be watching. That's
9 really where all this falls apart, regardless of all this
10 equipment stuff. And I agree with Darrell, we need to take
11 all that into account.

12 But the real issue is looking over their
13 shoulders. And, you know, if a guy who's chronically five
14 pounds overweight, you can't get away with it forever if
15 somebody's actually watching them. And maybe Darrell
16 disagrees, but I think that's really where the real problem
17 is.

18 COMMISSIONER SHAPIRO: I heard that -- I thought
19 that our stewards were in there doing spot checks and I was
20 disappointed, and I think that we should instruct that we
21 have a steward that is stopping in at least once or twice a
22 day, every race day, and doing spot checks.

23 I think that we can find that we have three of
24 them. And I don't know why they go and stand in the
25 paddock, or they're supposed to. Why not have them go to

1 the jock's room and do that, first. I agree with that and
2 it's disappointing to hear it didn't happen.

3 MR. LICKUA: Well, what Mr. Bianco was talking
4 about on a few is that he felt heavy. Even before the
5 races, have them get on the scale.

6 MR. COUTO: Drew Couto, Thoroughbred Owners
7 California and, one, TOC would be happy to participate in
8 any ad hoc committee dealing with this.

9 There is one issue that I'd have to agree with the
10 riders on and we've looked at silks over the last year, and
11 they vary ten ounces to nearly two and a half pounds. It's
12 difficult for a rider to come in and sort of know what the
13 weight of the silks are going to be on any given day. He
14 can plan for one weight and have actually a two-pound silk
15 that he's handed.

16 But I'd ask that before we get this process
17 started we have a baseline, we have a starting point so we
18 know exactly what's going on. And what's that baseline I'm
19 referring to?

20 What I'm currently referring to are the rules that
21 are in place. One, the existing rule about excluding from
22 weights safety equipment. I think we have to continue with
23 that process right now, that's what has created most of the
24 difficulty, and I'll have Ed address that. You need to
25 exclude those, not to penalize the riders, not to discourage

1 them from wearing safety equipment.

2 The other thing that I think is very important,
3 Paul talked about the limited time that they have to weigh
4 in and weigh out. Well, I checked the rule, Rule 1680.
5 That requires all riders to be in the jock's room one hour
6 before the first race and to weigh in at that time. No
7 matter if you're riding in the eighth race or you're riding
8 in the first race, you have to be in the jock's room one
9 hour before the first race unless specifically excused by
10 the stewards.

11 We've been told over the last year that that rule
12 has just been out the door for years, riders, on occasion,
13 will show up as close to ten minutes before they have to go
14 out, sometimes within an hour of riding, they show up late.
15 And those things aren't expressed to anybody.

16 And I think you need a baseline, the baseline is
17 to apply the current rules and then we can go ahead and deal
18 with some of these issues. And as Craig said, if we can
19 standardize the saddle towels, and you can standard -- maybe
20 not standardize silks, but allow owners to make the choices.
21 If it's excluded from the weight, that's a different thing.

22 But there are so many components to this that we
23 need to all get in the same room and start going through
24 them one by one.

25 MR. HALPERN: Ed Halpern, California Thoroughbred

1 Trainers. Commissioners, Mr. Chairman, I think probably the
2 only way to solve this, the only solution for this is maybe
3 to weigh the horse in the paddock, hope that he doesn't
4 relieve himself, and then put the jockey up and weigh him
5 again.

6 (Laughter.)

7 MR. HALPERN: That having been said, my concern is
8 a little more immediate. Changes were made at Oak Tree,
9 over the weekend, that have created a mess out there, and
10 whether it be in perception or reality, people believe that
11 their horses are carrying more weight than they were
12 carrying last week. Some people say that's not true. Other
13 jocks and some trainers tell me it's definitely true. So
14 people claim that they're being penalized because they use
15 lighter vests or helmets and then weight is being added and,
16 therefore, they're carrying more weight than they need to
17 carry.

18 I'm here to ask you -- well, before I get to that,
19 there's such a mess out there that we've called a general
20 meeting of trainers over the weekend, there's been such an
21 uproar.

22 And I would like to be able to tell them that this
23 has all been an experiment and that until we make some
24 changes, we are going to go back to doing what we've always
25 done.

1 I'm afraid if I'm not able to do that, there's
2 going to be a lynching on Sunday and that I'm going to be
3 the lynchee, so I could appreciate your help.

4 I think the way to clear up this mess is really to
5 follow the regulations. We do have laws in place and we
6 shouldn't, at the current moment, be changing the law. The
7 regulations, I believe it's 1684, says we do not weigh the
8 helmet, the vest, or the whip.

9 I don't have the regulation in front of me, but it
10 might be 1682 tells us exactly what we do weigh, and that's
11 what we ought to be doing, that's what we've been doing for
12 years.

13 It may be wrong and we now believe that it's not
14 the best way to do things, and we all agree that we need to
15 make changes so that we're consistent, so that jockeys are
16 checked, and so that the public knows what horses are
17 carrying.

18 But I would merely ask that in the meantime,
19 starting immediately, that we go back to doing what the law
20 requires that we do.

21 COMMISSIONER SHAPIRO: I would be in total favor
22 of that. I think that we've probably created a lot of
23 confusion that wasn't the intent but, instead, was an
24 attempt to make sure that we were doing it right, and I
25 would recommend that we go back to the way it was before and

1 then we proceed with this Committee to come up with a system
2 that would be the best system that we possibly can think of
3 coming up with at this time.

4 CHAIRPERSON HARRIS: That's fine. I think that we
5 shouldn't conclude from doing that, that we found that there
6 was no problem. I think the problem was that the way we
7 were solving the problem wasn't that well understood.

8 But I'd like to appoint Richard to chair the
9 committee and host all the jockey's, trainer's, and owner's
10 organizations, as well as Ingrid, and whoever she selects
11 from her staff, will be on the committee and walk through
12 the whole process, go through every step of the process and
13 see what may work and what may not work, and come back to
14 the Board with what they think a new model would be.

15 MR. HAIRE: Chairman Harris, to go back to as is,
16 the way it is now, would be fine, as long as the riders do
17 not have to check with the saddle towel or the overgirth,
18 like they've never had to do. That would be fine, as long
19 as you don't --

20 COMMISSIONER SHAPIRO: That's exactly what we're
21 saying. That's exactly what we're saying.

22 MR. HAIRE: Well, that's not going by the
23 regulation the way it is now, right?

24 COMMISSIONER SHAPIRO: We are talking about going
25 back to the way that it has always, historically been.

1 Okay, we're not trying to make a change at this moment.

2 MR. HALPERN: I think that would be in line with
3 what Darrell's asking because the regulations, and the items
4 it lists to be weighed, does not list the overgirth or the
5 saddle towel, so we would go back to doing that, I hope.

6 MR. HAINES: George Haines, Santa Anita. We'd be
7 willing to put that in the program, the specific rules, the
8 CHRB rules regarding the weight. Over the weekend we did
9 have quite a bit of confusion with racetrack rumors going
10 around and we do have a little problem to deal with right
11 now.

12 So I hope a statement would come out from the CHRB
13 in regards to everything's back to normal.

14 COMMISSIONER SHAPIRO: We'll be glad to do that.

15 CHAIRPERSON HARRIS: Okay, thank you very much.

16 Anything else on this?

17 Let's take a short break and get back here in
18 about ten minutes.

19 (Thereupon a recess was taken.)

20 CHAIRPERSON HARRIS: Okay, we're going to
21 reconvene the meeting.

22 The next item on the agenda is item number five,
23 discussion and action by the Board on the proposed addition
24 of the emergency regulation 1920.1, Heightened Security.

25 Jackie Wagner.

1 STAFF SERVICES MANAGER I WAGNER: Jackie Wagner,
2 CHRB staff.

3 At the latest Medication Ad Hoc Committee this
4 issue was -- the issue of heightened security was addressed.
5 At that meeting it was concluded that abnormal changes in
6 some horses' winning patterns, unusual high winning
7 percentages and routine drug test results near a prohibitive
8 level were resulting in at least a perception that some
9 horses were receiving medications or possibly other
10 treatments that were prohibited by the California Horse
11 Racing Law.

12 Also, the Committee concluded that such horses
13 often do not test positive in these post-race blood or urine
14 test samples. The Committee felt that the unusual patterns
15 were causing at least the perception that an uneven playing
16 field was taking place and this possibly was contributing to
17 the decline in attendance and wagering on horse racing.

18 In response, we are proposing to add, as an
19 emergency regulation, Rule 1920.1, Heightened Surveillance.
20 This rule would provide that any horse, stable, or trainer
21 that is on the premises, as defined by Rule 1420, shall, in
22 the sole and absolute discretion of the Board be subject to
23 heightened surveillance during the period of ten days
24 immediately preceding and during any race meeting.

25 The rule further specifies the specifics of the

1 heightened surveillance.

2 Staff would recommend that the Board adopt this
3 proposal as an emergency regulation, as presented. If
4 adopted, staff will conclude the procedure for filing the
5 rule as an emergency regulation.

6 CHAIRPERSON HARRIS: Jackie, could you just
7 briefly review for us how these emergency procedures work,
8 what the timetable is?

9 STAFF SERVICES MANAGER I WAGNER: Certainly. The
10 rule, if it is presented as emergency regulation, and the
11 Board adopts this particular proposal, staff will complete
12 the rule-making proposal and present it to the Office of
13 Administrative Law.

14 The Office of Administrative Law will have ten
15 days from the submission of that proposal to ultimately
16 determine whether or not to accept this regulation as an
17 emergency regulation.

18 If they do accept it, it will be filed with the
19 Secretary of State and will become effective upon filing.

20 Thereupon, the Board will have 120 days in which
21 they have to complete the regular rule-making process. If
22 we fail to do that within that 120-day time frame, the
23 emergency regulation is no longer effective.

24 CHAIRPERSON HARRIS: Any comments from the
25 audience on this?

1 MR. HALPERN: Ed Halpern, California Thoroughbred
2 Trainers.

3 Commissioners, the CTT, of course, was the first
4 in the efforts to get these kind of changes made, starting
5 in the year 2000, when we came out with our security report
6 and suggested many of these changes.

7 And although we favor the concept from top to
8 bottom, there is some language in the proposed regulation
9 that we object to and, basically, it comes down to the
10 unfettered power to create detention stalls or detention
11 barns, in effect, without further discussion or approval.

12 We spent five years talking about these items and
13 I think the general feeling at the end of each meeting that
14 was held on this, and there have been many, many, was that
15 local detention stalls, in existing barns, were the way to
16 handle it for now.

17 And it just appears from, I believe, and I see
18 Mrs. Fermin's looking at the regulation, I think the last
19 couple of lines sort of open it up to power to do anything
20 in the way of creating detention stalls, and that just
21 creates some concern for us.

22 COMMISSIONER SHAPIRO: If I can try to understand,
23 your concern is that we would simply, without cause, send
24 horses to a different barn as a detention stall, is that
25 what the concern is you're raising?

1 MR. HALPERN: Well, that's part of the concern,
2 that's at the heart of the concern. I guess the overall
3 concern is that without further agreement or discussion,
4 under this emergency regulation you could say let's try a
5 detention barn and you could require a track to set up, or
6 trainers to go to a detention barn with all their horses,
7 with all the horses running in any given race or on any
8 given day. And that's something we've had a problem with,
9 now, for five years.

10 CHAIRPERSON HARRIS: You don't have a problem with
11 the on-premises, if it stayed in the trainer's barn, but had
12 enhanced security in that barn?

13 MR. HALPERN: No, we support all of those
14 measures, Commissioner.

15 EXECUTIVE DIRECTOR FERMIN: I know when we talked
16 about this, the discussion was that it would be perhaps
17 designated stalls in a trainer's barn. So you still support
18 that?

19 MR. HALPERN: I do support that. Yes, definitely.

20 EXECUTIVE DIRECTOR FERMIN: Okay. And I think
21 that's what was meant, I don't think anybody was thinking
22 detention barn, we know what would happen if we did that.

23 MR. HALPERN: Yeah, as I say, I think we're all in
24 agreement on this, and I appreciate that, and I appreciate
25 your efforts on it.

1 CHAIRPERSON HARRIS: Well, couldn't we just take
2 those last few words of the first paragraph out and still
3 have the first part, or is that going to require renoticing
4 and all that.

5 COMMISSIONER SHAPIRO: Which two words, John, are
6 you looking at?

7 EXECUTIVE DIRECTOR FERMIN: Instead of "which is
8 on the premises," that it would say that it's within the
9 trainer's assigned barn.

10 CHAIRPERSON HARRIS: Yeah, like I say, basically,
11 it's got to be in a stall that has on-premises security
12 which, I mean, it could well be the trainer's barn. But
13 just taking out "requiring a horse to be placed in a
14 detention area designated by the Board," because that
15 somewhat sounds like a detention barn.

16 COMMISSIONER SHAPIRO: Well, let me ask a question
17 here, because as I understand our current rules, our rules
18 currently provide that for surveillance we have to have
19 cause. And what I thought we were trying to do was, without
20 having somebody that comes up with a positive test, if we
21 believe, however, that because they are winning at such an
22 unusually high rate, or there are things that we are
23 concerned with, if we want to put surveillance on that
24 party, I'm -- for no specific cause, that's the reason for
25 this regulation, in my mind.

1 CHAIRPERSON HARRIS: As I understood it, we
2 could -- we don't need cause for surveillance, that's part
3 of the whole concept of the enclosure. But I think, as I
4 understood, the purpose of this was just to clarify what we
5 were doing.

6 COMMISSIONER SHAPIRO: So would you have any
7 objection, I understand that we're not going to say to
8 somebody, perhaps, that all your horses have to move to a
9 detention stall, but on the other hand if we see somebody
10 who's winning at an unusually high rate, and we want to
11 install video cameras in that barn, or do that, would you
12 have a problem with that?

13 MR. HALPERN: No, as I said, we made that proposal
14 five years ago and we've been trying to get that done for a
15 long time. So, no, I do not have an objection to that.

16 COMMISSIONER SHAPIRO: Okay.

17 CHAIRPERSON HARRIS: Because I've always liked the
18 security camera idea, just the detention barn idea is
19 separate from what we're looking at here, as I understand
20 it.

21 MR. HALPERN: That's what I thought, too, and
22 that's why I had some concerns about just the language here,
23 not the concept.

24 COMMISSIONER SHAPIRO: Is there any other language
25 that is a problem?

1 EXECUTIVE DIRECTOR FERMIN: You've discussed this
2 with your Board?

3 MR. HALPERN: Yes.

4 EXECUTIVE DIRECTOR FERMIN: And this is still
5 workable?

6 MR. HALPERN: Yes, as a matter of fact we did.

7 EXECUTIVE DIRECTOR FERMIN: Except for that?

8 MR. HALPERN: Yeah.

9 STAFF SERVICES MANAGER I WAGNER: Could you
10 give -- could you actually give me the wording so I can just
11 write it here?

12 CHAIRPERSON HARRIS: Well, could we just use this
13 wording and take -- looking at the first paragraph, the next
14 to the last line -- actually, whoever writes these should
15 try to write a little shorter sentences. But "having a
16 horse stabled in a stall which has on-premises security,"
17 and just take out "or requiring a horse to be placed in a
18 detention area designated by the Board."

19 We just aren't going to make it where you're
20 required to go to a detention area designated by us, it's
21 just you've got the on-premises security. The on-premises
22 security and, of course, we've got to have some standards on
23 that, but that would implied.

24 MR. HALPERN: That would be acceptable.

25 STAFF SERVICES MANAGER I WAGNER: Just so I'm

1 clear, Chairman, we've got to put a period after "security?"

2 CHAIRPERSON HARRIS: Yeah, a period after
3 "security."

4 STAFF SERVICES MANAGER I WAGNER: Okay.

5 MR. HALPERN: Thank you.

6 CHAIRPERSON HARRIS: And then this would, if it
7 does become an emergency regulation, it will still be out
8 for comment and we can modify it further, if we have the
9 comments.

10 MR. FRAVEL: Craig Fravel, Del Mar Thoroughbred
11 Club.

12 I don't know if it's possible, but would it also
13 be possible to add a sentence there? The way the current
14 detention situations work, the trainer who is subjected to
15 that is required to pay the costs inherent in changing out
16 stalls or additional security. And it would probably be
17 helpful to put a sentence in here that the purse agreements
18 and horseman's agreements with TOC and CTT will govern the
19 allocation of the expenses incurred by the Association in
20 enforcing these regulations, and then we can just work it
21 out, ourselves, how that happens.

22 CHAIRPERSON HARRIS: I think that's a good way to
23 do it, we can just add the language which you suggested on
24 that.

25 MR. FRAVEL: I'll make it up and tell you.

1 STAFF SERVICES MANAGER I WAGNER: I'll get that
2 information, the language from Craig Fravel.

3 CHAIRPERSON HARRIS: Okay, any other comments on
4 this issue?

5 Do we have a motion to adopt it as amended?

6 COMMISSIONER SHAPIRO: I'll so move that we
7 approve it as amended by this discussion.

8 VICE CHAIRPERSON BIANCO: Second.

9 CHAIRPERSON HARRIS: All in favor?

10 (Ayes.)

11 CHAIRPERSON HARRIS: Okay, the next item is the
12 proposed amendment of Rule 1977-Pick Three.

13 STAFF SERVICES MANAGER I WAGNER: Jackie Wagner,
14 CHRB staff.

15 Rule 1977-Pick Three, as you know, we heard this
16 at our last Board meeting. The proposed amendment to Rule
17 1977 will eliminate the practice of substituting the off-
18 track favorite for a horse scratched from any leg of the
19 Pick Three prior to the running of the first leg.

20 Instead, all wagers containing such horses will be
21 refunded.

22 In addition, the rule goes on to further give the
23 parameters upon how the consolation will be paid out.

24 At that last meeting there was some question as to
25 exactly how the payouts would look on this particular

1 amendment and the -- it was suggested that we table the item
2 until this particular meeting to have the hearing on the
3 adoption of the rule.

4 And I do have our staff member, John Reagan, who
5 would be able to answer any specific questions that you may
6 have.

7 SENIOR MANAGEMENT AUDITOR REAGAN: Certainly.
8 Commissioners, you just received a handout. There's a lot
9 of numbers on that page, but if you look at the top, where
10 I've done the informal big parens, you will see four lines
11 with payouts. I asked Scientific Games to run us a
12 scenario.

13 If you look at the last, the lower line, where you
14 see "1/2/3," that is a Pick Three and in tote scenarios
15 horse runner number one wins race one, horse number two wins
16 race two, and horse number three wins race three.

17 So the "1/2/3" is the standard Pick Three winner.
18 So the last line is your everyday normal payout, didn't get
19 involved in the scratches or consolation.

20 All right, the one right above it, in this
21 scenario, in the third leg, horse number two was scratched.
22 So those tickets, "1/2/2" are consolation. And you'll see
23 that the winning dollars on that combination was 36. There
24 was a total of \$3,718 bet on that combination of all those
25 scratches, and those that had "1/2/2" will receive \$103.30.

1 Are we okay there?

2 Right above that is a line that says

3 "1/2(1,11)/3." That is because in the scenario, in the
4 second leg, 1 and 11 were scratched, and we call that late
5 scratches because, of course, anything before the first race
6 is simply a refund.

7 So for those ticket holders that were involved in
8 the 1 and 11 scratch, that created a consolation pool and
9 those tickets that had "1" the winner of the first race, and
10 the last combo, the last number "3" the winner of the third
11 leg, as well as those scratched members, then have the
12 consolation for those scratches, and that being a winning
13 amount of \$29. Those are the \$29 of winning bets with that
14 combination.

15 There was a total of \$4,080.30 involved in those
16 scratches, the 1 and 11 scratch in the second leg. And, of
17 course, the payout for that particular consolation pool is
18 \$140.70.

19 One more, right above it you'll see "1/(1,11)/2."
20 Those are the tickets that had the scratches in both the
21 second and third legs, and we have a consolation pool for
22 that. And, as you can see, there was a winning amount of
23 \$50. There was a total runner -- a total pool involved in
24 there of \$495, and so those people received \$9.90.

25 So this is what a Pick Six -- I'm sorry, a Pick

1 Three, that we're anticipating amending here, instead of
2 having to scratch favorite, we're going to go with
3 consolations. This would just be one scenario in which you
4 would see these consolation pools.

5 So if you have any questions, we'll try to answer
6 them.

7 CHAIRPERSON HARRIS: Is this being done -- I
8 understand it's being done in other jurisdictions.

9 SENIOR MANAGEMENT AUDITOR REAGAN: I understand
10 that our rule would be very similar to the New York rule,
11 which is being done in New York at this time, which is just
12 what I've been told by the tote people who work in both
13 jurisdictions, and they're usually pretty reliable, so
14 that's what I'm told here.

15 CHAIRPERSON HARRIS: The only comments I've gotten
16 is just if it will lead to confusion with, you know,
17 multiple consolation payoffs. But I think with all the
18 technology we've got now, people are used to a lot of
19 different variables.

20 SENIOR MANAGEMENT AUDITOR REAGAN: Right. I think
21 what we did experience, many years ago we had a consolation
22 in the Pick Six, and there are occasions when, just because
23 of the vagaries of the pools and the matrix involved there,
24 sometimes having a consolation win of five of six, a
25 consolation win of five of six, with a scratch, would

1 sometimes beat the normal five of six payoff, which was not
2 involved in the scratch. And sometimes I would get letters
3 going, why in the heck does that guy get a thousand dollars
4 and I got two hundred, you know. But that's just the
5 parimutuel system.

6 So there are those kind of vagaries that you get
7 and we can certainly explain them, but sometimes it does
8 cause people to worry, or something.

9 CHAIRPERSON HARRIS: Any comments from the
10 audience on this?

11 We looked at this last meeting and I think there
12 was just concern that we didn't quite understand how it all
13 works, which I think I do, now. I don't really see any
14 problem with it. It might be a little confusing for fans,
15 initially, or they don't throw away a ticket if they -- it's
16 got to be clear that if a horse is scratched that,
17 basically, they've got an all -- well, I don't think they
18 have an all, they have a whole separate pool.

19 SENIOR MANAGEMENT AUDITOR REAGAN: Yes.

20 CHAIRPERSON HARRIS: Like some people might think
21 it meant an all, but it's not really an all, it's a
22 separate --

23 SENIOR MANAGEMENT AUDITOR REAGAN: A consolation.

24 CHAIRPERSON HARRIS: -- it's a separate type of
25 wager that didn't exist until that horse was scratched.

1 Any comments from the audience on this?

2 COMMISSIONER MORETTI: Yeah, I just have a
3 question. The reason that we were doing this was because it
4 was seen at some times that the favorite was the horse that
5 others would bet against, okay, so have we gone back to a
6 wagering public, to anyone to find out, okay, is the concern
7 that was in here been addressed through this new consolation
8 system?

9 CHAIRPERSON HARRIS: Yeah, I think this came out
10 of the Parimutuel Committee and it was a recommendation of
11 fans, players.

12 SENIOR MANAGEMENT AUDITOR REAGAN: Exactly, the
13 NTRA Players, fan recommendation. Yeah, it started with a
14 certain group of players who didn't care for these scratch
15 replacement, so we're going to try the consolation.

16 COMMISSIONER MORETTI: Okay, thanks.

17 COMMISSIONER SHAPIRO: John, at the last meeting,
18 and you weren't there, we asked about why couldn't we have
19 an alternate selection, as we now have with the Pick Six.
20 And I think I recall that we were told that it would be a
21 long time or too difficult to program.

22 Have you had much discussions with Scientific
23 Games in terms of it certainly would be better if they could
24 just have an alternate selection and get the horse they
25 want?

1 SENIOR MANAGEMENT AUDITOR REAGAN: Yeah, what
2 they've told us is that for many years they had developed
3 the Pick Three and when they went to the Pick Four, Pick
4 Five, Pick Six, they wrote a separate set of software rules
5 for those and they didn't include the Pick Three.

6 COMMISSIONER SHAPIRO: Oh, he's here, I didn't see
7 him.

8 SENIOR MANAGEMENT AUDITOR REAGAN: Oh, they're
9 here, they're definitely here.

10 And so to rewrite the Pick Three would be
11 like -- to rewrite the Pick Three for the alternate runner,
12 they'd simply have to start from ground zero, again, and
13 that would simply take time and money. It can be done, it's
14 just a matter of the current rule, the way it's written is
15 not easily amended to allow for that, simply the way it was
16 originally set up. But it certainly can be done.

17 COMMISSIONER SHAPIRO: On an interim basis, I'm in
18 favor of this. I would wish -- I wish that it was possible,
19 though, that we could allow people to have an alternate
20 selection so that they get a chance.

21 MR. PAYTON: Dave Payton, with Scientific Games.

22 The simplest way to explain the reason that it's
23 complicated is just that the Pick Three is handled in the
24 system as a pool and a Pick Four and above is handled as a
25 scan. And the way that the system is transferring

1 information, for a Pick Three it transfers all the
2 information to the other system from guest to host. For a
3 Pick Four and above all it transfers is the pool totals.

4 So that you have a much different way of dealing
5 with the pool on the host side. And for dealing with
6 alternates on the pool, for a Pick Three, like I told you
7 last month, the estimate for it was a fairly rigorous
8 project that would have to be done, involves a lot of
9 changes to the protocol that we use, the ITSP protocol
10 between the systems.

11 One of the reasons the industry, in general,
12 hasn't asked for that is because of the promotion of the
13 wagering transaction protocol that's being developed. The
14 industry had gotten together and developed -- is developing
15 a new way for wagers to be sent to the host system, so that
16 it's sent on a wager-by-wager basis instead of dealing with
17 these pools in that manner.

18 And that way alternate runners, and any other -- a
19 lot of other functions and features, like that, can be added
20 because the host will have all the information that they
21 need.

22 Today, with the Pick Three, they just don't have
23 that and to get it to the host would be a fairly expensive
24 project. And I think changes to the ITSP, to that level,
25 are really frowned upon at this point because it's work that

1 probably would be thrown away soon.

2 COMMISSIONER SHAPIRO: Thank you.

3 CHAIRPERSON HARRIS: Any other comments on this?

4 Can I get a motion to approve?

5 COMMISSIONER SHAPIRO: I'll move to approve this.

6 CHAIRPERSON HARRIS: This goes out -- okay, all in
7 favor? Second?

8 VICE CHAIRPERSON BIANCO: Second.

9 CHAIRPERSON HARRIS: All in favor, aye.

10 (Ayes.)

11 CHAIRPERSON HARRIS: Okay, the next item does get
12 kind of confusing, but I think in the interest of time it
13 would be good if we just -- we're going to have -- it's
14 going to go out for comment, and there may be some comments
15 on this one but explain, generally, the next item is a
16 report by Scientific Games on net pool pricing. So if you
17 could --

18 SENIOR MANAGEMENT AUDITOR REAGAN: Yeah,
19 Commissioners, the short and sweet here is the fact that
20 right now, if people want to commingle into our pools, they
21 use our take-outs. We have a low take-out, other states
22 have very high take-outs, and they want to use their take-
23 outs and so they have more money to distribute, and so on
24 and so forth.

25 In order to do that, we have to have what they

1 call net pool pricing. The system has to be able to allow
2 multiple take-out rates, instead of just the California
3 rates. And, also, while they're doing that, there's also
4 interest in combining their pools with Canada, which also
5 has the additional fun of the exchange rate of the currency.

6 So all of those can be handled by the net pool
7 pricing process and, obviously, a fairly straight forward
8 situation becomes incredibly complex. And they tell me,
9 now, their systems are able to handle that, and Mr. Payton
10 has staked his life on it, so we are very happy to have
11 that.

12 MR. PAYTON: Dave Payton, Scientific Games. I
13 won't spend a lot of time on this, I'll just try to give you
14 some of the highlights.

15 Net pool pricing is something that actually has
16 been talked about for a long time. In the early nineties,
17 when simulcast wagering first started to develop the hold
18 that it ultimately has, it became something that wanted to
19 be reviewed by the industry as looking for ways to be able
20 to deal with the different take-outs.

21 At the time mostly, obviously, between
22 jurisdictions within the states, but also looking forward
23 with what they can do with out-of-country opportunities.
24 Just another way to be able to get to out-of-country
25 opportunities.

1 Canada, at the time, had the 30 percent
2 withholding requirement that, obviously, kept them away, so
3 it actually never took a hold.

4 Net pool pricing, itself, was just another way to
5 mathematically try to determine the best price. Part of the
6 result of this is that there are things that happen when you
7 calculate prices based on just the net pool, in that the
8 show and place prices can be a little different than they
9 would be under a standard pool mechanism.

10 And, also, you could have a possibility of
11 increased minus pools, which would happen for the same
12 reason, just essentially long shots, don't subsidize
13 favorites. The same way with the standard price
14 calculation.

15 Those two reasons were things that the tracks were
16 willing to explain to the public, but then when we got to
17 talking about the tote information that was actually going
18 out to the public, how can somebody sitting in the stands
19 actually determine or calculate prices on their own? And
20 without having all of the information that you need for
21 commission rates, and whatnot, it was just that you'd be
22 ending up with a Wall Street type board out in the infield,
23 trying to tell people all the information they need to
24 calculate prices.

25 So that was one of the reasons why the U.S. tracks

1 didn't actually move forward with net pool pricing. This
2 was back in 1995, '96.

3 Now, at the same time, the Canadians took a
4 different approach and they decided that those are issues
5 that need to be dealt with, but they're things that if they
6 notify the public, then they would be willing to accept
7 that.

8 They have their federal levies, provincial taxes,
9 provincial levies, and each individual track has their own
10 rates and whatnot. So they decided to take, and took net
11 pool pricing to hold and in 1996, I think, went ahead and
12 implemented it.

13 So all three of the tote companies implemented net
14 pool pricing on their systems back then and went through all
15 the testing that we've needed and have since operated with
16 it, it's been eight or nine years, now, since we've used net
17 pool pricing in Canada.

18 So that's really been their mantra going forward.
19 With any place that they wager into, they want to be able to
20 make that part of the requirement, as well.

21 As of the beginning of the year, we've had --
22 Andy Curry and I have had a number of conversations with
23 Woodbine Tracks and the regulators in Canada, of the CPMA,
24 and they identified what they would require to be able to
25 bet into the U.S. pools. Requiring net pool pricing was

1 one.

2 They have a nickel break in Canada, as opposed to
3 a dime break, so that would be something that can be
4 addressed with net pool pricing, since the breaks are dealt
5 with separately.

6 And then they also identified some other issues
7 that they required, that I think are being addressed. John
8 mentioned exchange rate and that's something that's being
9 addressed, actually, on an industry basis as we go forward
10 with all of these different jurisdictions.

11 Woodbine has been a Scientific Games racing
12 customer for the last 12 years, we've implemented the
13 Woodbine system. That's the single system that Scientific
14 Games has in Canada, today, is at Woodbine. We handle all
15 the operations that we do in Ontario, as well as Alberta,
16 and British Columbia.

17 So that system is ready and available to do this
18 work.

19 We've done the work on the California systems to
20 get ready. The one thing to remember is that when U.S.
21 tracks bet into Canadian pools, today, somebody betting on a
22 Woodbine race, you're already implementing net pool pricing
23 because the guests need to bet into their pools using net
24 pool pricing. That's something that we've been doing for
25 every race we've bet into Canada over the last eight years.

1 And the other tracks that already have implemented
2 net pool pricing with Canada have been the Chicago Harness
3 Tracks, which are Scientific Games tracks. Center Bowl
4 Downs have already experienced this, they've already
5 implemented it and it's underway.

6 Just to mention, there are some issues here, still
7 to deal with, that we're working with CRMS in particular on,
8 because they need to have the data at the end of the day to
9 be able to do the audits on the pool. So there's exchange
10 rate issues with the data that they get from the tote, that
11 we're working on with them. And we think we've come to
12 satisfactory solutions for those points, as well.

13 The interesting thing this week, at the Simulcast
14 Conference, all the participants pretty much had an
15 opportunity to tell where they are so far. This just
16 started at the beginning of July, with the Chicago harness
17 tracks. And so far, one of the rates that they identified
18 was that over the July and August time frame they
19 handled -- the Canadian-handled betting into the Hawthorne
20 pools was up 34 percent.

21 Emerald Downs reported that -- they started in
22 August, I believe, and they handled -- since they've started
23 this, the Canadian-handled, going into their pools, is up 57
24 percent from what it was before.

25 Arlington started around that same time and their

1 handles' up about 23 percent. Balmoral's up about 11
2 percent.

3 So everybody's in double digit numbers for how
4 their handles increased since this has started. And
5 Woodbine reported that their handles' up 118 percent at the
6 end of this --

7 CHAIRPERSON HARRIS: My main concern with it, I
8 see that they want to increase handle. My only concern
9 would be which, hopefully, is not a problem, if anyone's
10 damaged in California by doing net pool pricing and,
11 effectively, having somebody in Canada is paying more for
12 the bet, does that impact me, if I'm a wagerer in
13 California? But by doing a net pool pricing is there any
14 chance at all I'd get less payout, you know, with the same
15 amount of money bet with net pool pricing versus not net
16 pool pricing?

17 MR. PAYTON: I'm not sure I've got the answer to
18 that.

19 SENIOR MANAGEMENT AUDITOR REAGAN: John, actually,
20 they adjust the wagers for the take-out for the other
21 jurisdiction. So if they have a higher take-out, that
22 person has invested less. So when you turn it around and
23 make the payout, they get the proportionate lesser payout.

24 CHAIRPERSON HARRIS: So there's no third-party
25 impact. It's immaterial, if I'm competing with all these

1 other people betting in different states and countries, it
2 doesn't matter. I mean, except for the fact that,
3 theoretically, maybe it would be less handle because the
4 people got higher take-out and all that, but as far as the
5 payout on the given rates, it would be the same.

6 SENIOR MANAGEMENT AUDITOR REAGAN: Yeah, there are
7 some quirks in the very complex calculations, some rounding
8 situations, so there could be some minor differences, up or
9 down, in terms of the payout, but it won't be anything
10 significant.

11 COMMISSIONER MORETTI: Clearly, with something
12 like this you need a very sophisticated technology to be
13 able to crunch all of these numbers in the right way.

14 What is the -- did you say CRMS is going to be
15 used as the check and balance on it to make sure that they
16 got -- that they were crunched the right way?

17 SENIOR MANAGEMENT AUDITOR REAGAN: Actually, we
18 have a three-corner there. The tote numbers are provided to
19 the local auditor and to CRMS. They both crunch the numbers
20 and then they will agree, the next day, as to the fact that
21 they both agree and they both have the same answer, so to
22 speak, and that's how we have been conducting ourselves. So
23 we have the two checks and we will continue to do that.
24 Obviously, it may take a little longer.

25 But I think with even your personal computers

1 these days we can program this to take the information from
2 the tote, and calculate it, and check it with CRMS.

3 And I think one thing we'll certainly have to
4 check -- if we were to move forward, we still have work to
5 do at the California end, at the other jurisdiction's end,
6 and then we have to link up together and check out both of
7 them working at the same time, get used to the new set of
8 reports, make sure we can audit it, make sure CRMS is ready
9 to accept the new complex information.

10 So it's not like we can start tomorrow, absolutely
11 not. If we decide to go down this road, it will be a while
12 before we're ready, but we will be very careful and make
13 sure we are ready before we flip that switch.

14 CHAIRPERSON HARRIS: Is there some way we can get
15 formal comments back from everybody on this, or is this
16 something that the Board -- do we have to take, you know,
17 overt action to do it, or every track just does it, or what?

18 SENIOR MANAGEMENT AUDITOR REAGAN: Actually, right
19 now, the current horse racing law requires the out-of-state
20 jurisdiction to use our take-outs, unless they have laws in
21 their jurisdiction which do not allow that. In that case,
22 they can ask for us, you, the Board, to cut them some slack
23 and allow them to use their take-out.

24 So as we move forward, there will be a process
25 whereby not only will you be approving out-of-state

1 jurisdiction for simulcasting, but there will be one group
2 that will be net pool pricing, and there will be another
3 group that is not, or maybe do their own commingling. But
4 we'll rearrange the list of simulcast organizations or
5 simulcast jurisdictions, so you know which are which, and
6 then we may even have them indicate, just briefly, some of
7 their take-out, so we know what we're talking about here.

8 But as we move forward, those things we can take
9 care of.

10 MR. PAYTON: Just to mention, as well, the net
11 pool pricing, as the rules were identified in the late
12 nineties, they also were adopted under the RCI rules, model
13 rules. So the RCI model rules already allow for a net pool
14 pricing, which is allowed in California.

15 COMMISSIONER SHAPIRO: So can I just ask, if the
16 horse runs here, "Bob's Boy" wins and he pays ten bucks,
17 okay. That's the payoff here because of our take-out.

18 MR. PAYTON: Right.

19 COMMISSIONER SHAPIRO: Now, if it goes to Canada
20 and they are now adding to our take-out whatever fees that
21 they choose to, "Bob's Boy" may pay \$9.00; is that correct?

22 SENIOR MANAGEMENT AUDITOR REAGAN: Yeah, right.

23 COMMISSIONER SHAPIRO: Today, in that same
24 comparison, how does it now work?

25 SENIOR MANAGEMENT AUDITOR REAGAN: Actually, they

1 don't participate directly in our pool, using their take-
2 out. If they do -- now, Canada doesn't because of the
3 exchange rate. But let's just say New York.

4 COMMISSIONER SHAPIRO: Fine, yeah.

5 SENIOR MANAGEMENT AUDITOR REAGAN: If we pay ten,
6 they pay ten.

7 COMMISSIONER SHAPIRO: Okay. So won't this make
8 our signal less attractive if it allows those jurisdictions
9 to basically raise the take-out on our signal, because
10 "Bob's Boy" paid ten bucks here. The way it is now, we're
11 saying you have to use our take-out, so "Bob's Boy" paid ten
12 bucks in New York.

13 Now, if their take-out is two percent higher, then
14 the payout in New York might be 9.60. So would be losing
15 some attractiveness to the bettors that bet on our signal,
16 as a result of this? I'm concerned that the tracks --

17 CHAIRPERSON HARRIS: I think the issue is that
18 they think, you know, they're motivated by greed and
19 restrained by fear, that the track, like they would think,
20 gee, this is the way to make some more money. But then
21 their fans are going to say, well, I don't want to do that.
22 It's sort of the fans, definitely -- if I was a New York
23 fan, I wouldn't think it was a good idea.

24 COMMISSIONER SHAPIRO: That's what I'm saying and
25 I think it's -- my concern is that what advantage we have,

1 because of our lower take-out, we are giving up, which to
2 the whales may mean that our wagering becomes less
3 attractive.

4 And if there's any track partners here, you know,
5 I'm concerned will this impact their business in terms of
6 their interstate wagering that they get.

7 I mean, we have an edge because our take-out is
8 lower than the national average. Are we giving up that edge
9 by doing this?

10 MR. PAYTON: I would just say that for the
11 Canadian experience, and what they've had over the last ten
12 years, or however long they've been betting on California
13 racing, they've been betting into separate pools in Canada.

14 So the big players in Canada right now are
15 restricted by betting into the pools that --

16 COMMISSIONER SHAPIRO: It has no effect on them,
17 so to speak. If they're betting in a separate pool,
18 now --

19 MR. PAYTON: If they bet into a separate pool,
20 now, the big players right now might be less inclined to
21 wager big because they're betting against themselves,
22 because they're betting into pools that are only in Canada.

23 Now, they're given the opportunity to bet into the
24 larger pools in California.

25 COMMISSIONER SHAPIRO: Okay, into a larger pool.

1 MR. PAYTON: And that's a big reason for the
2 increase in handle rates that they've seen so far.

3 The Canadian track managers have been saying, now,
4 for a long time, that the Canadian patrons have been asking
5 for this for a long time and they've been wondering what's
6 taking so long, now that the withholding is waived, why
7 can't they just get directly into California pools.

8 So the patrons in Canada are very anxious to get
9 this going.

10 COMMISSIONER SHAPIRO: Okay, because they will get
11 a higher payoff --

12 MR. PAYTON: They get the benefit.

13 COMMISSIONER SHAPIRO: -- being part of a larger
14 pool.

15 MR. PAYTON: Right.

16 COMMISSIONER SHAPIRO: -- and, therefore --

17 CHAIRPERSON HARRIS: I don't think it's a given
18 you're going to get a higher payoff just because you're part
19 of a larger pool.

20 COMMISSIONER SHAPIRO: No, no, no, but there's
21 more money in it so, theoretically, they have a chance at a
22 higher payoff.

23 MR. PAYTON: Yes.

24 COMMISSIONER SHAPIRO: I understand that part of
25 it. But again, my concern is, and I want to hear from the

1 tracks, are we taking a risk here of making our signals less
2 attractive?

3 MR. HAINES: Actually, it's more attractive.
4 George Haines, Santa Anita.

5 We actually used net pool pricing in the early
6 nineties, on the Breeder's Cup Pick Six, and we had very
7 little feedback. I think, how many years did we do that,
8 Dave, five or six?

9 MR. PAYTON: Uh-hum.

10 MR. HAINES: So we have experimented with this.
11 Also, you know, you always talk about the price going down
12 and the price can go up, too. It depends what the
13 jurisdiction coming into us sets their take-out at. They
14 could set it at ten percent take, which means they would be
15 over our base bet and they would participate in the pool at
16 a greater extent than we are, than the host track.

17 CHAIRPERSON HARRIS: Do you think that will
18 happen? I mean, realistically, do you think anyone's going
19 to come in lower?

20 MR. HAINES: Kentucky might come in lower.

21 COMMISSIONER SHAPIRO: What is Kentucky's take-
22 out?

23 MR. HAINES: I believe they're lower than us on
24 their whips?

25 SENIOR MANAGEMENT AUDITOR REAGAN: Yeah,

1 Commissioners, they're just a few tenths lower than we are,
2 but very similar.

3 MR. HAINES: But there's that possibility.

4 COMMISSIONER SHAPIRO: Well, again, I'm all for
5 whatever will increase our handle and do this, I'm just
6 trying to raise a flag that I would hate to see that if
7 people outside of California are coming in, are wagering on
8 our races because of our take-out, I just don't want to be
9 giving up some edge that may or may not be there. And if
10 you don't feel that's a problem, and the case, then maybe we
11 have nothing to worry about.

12 MR. HAINES: Somebody may find a way to exploit it
13 but, as of now, we really don't see it.

14 CHAIRPERSON HARRIS: I think, hopefully, the goals
15 would be aligned, so a track wouldn't want to do it unless
16 it was good, you know, bottom line for both the handle and
17 the commission, so it should self-adjust.

18 But I'm fairly concerned about just worrying about
19 increasing take-out in general, and the theory that you
20 don't get the turn and that, you know, people are leaving
21 the track with far less money than they came with and
22 they're not coming back. But that's a different issue.

23 MR. HAINES: Yeah, what we're seeing is we're in
24 such a large pool, now, and so much competition, like in Las
25 Vegas, where you might have ten signals side by side, people

1 really aren't betting the take-out, they're betting the
2 winner. So there's elasticity with the take-out, we
3 believe.

4 CHAIRPERSON HARRIS: Well, I don't know about
5 that. Some of those take-outs in New York are 25 percent,
6 that's the reason I never bet that New York Pick Six. And
7 nobody else does, so it's very rare they have a carry over.
8 I guess they just did but --

9 Okay, any other comments on this? I guess this
10 would be something that we'd look at on a case-by-case basis
11 as it comes before the --

12 SENIOR MANAGEMENT AUDITOR REAGAN: Yeah, when
13 we're ready the tracks will know and they'll put that in
14 their applications as they move forward. As they move
15 forward to their meets, we will be notifying which ones are
16 net pool.

17 Thank you.

18 CHAIRPERSON HARRIS: Thank you.

19 Okay, we'll go on to the end-of-meet results.

20 SENIOR MANAGEMENT AUDITOR REAGAN: Commissioners,
21 generally, these are pretty routine reports. However, we do
22 have a special one this time, the California State Fair
23 Harness Racing Meet. And you can see the numbers there are
24 pretty severe in terms of reduction in handle.

25 The Cal Expo is currently evaluating that whole

1 question. They'll have a meeting in a week or two, in which
2 they will decide whether they're going to continue with the
3 harness fair meet or go back to the traditional fair meet.
4 They'll let us know and we may have this on the November
5 agenda, and so on, and so forth.

6 But a lot of people have asked about what was the
7 effect of the change and we have that included in this
8 report, and you see some pretty severe negative numbers.

9 COMMISSIONER SHAPIRO: Well, with respect to the
10 numbers, first of all, with respect to Del Mar, I think Del
11 Mar had an incredible meet and are certainly to be
12 complimented on a fabulous job that was done, and I think it
13 was a new, all-time record in handle, and I think it was
14 wonderful.

15 MR. FRAVEL: Mr. Chairman, Commissioners, Craig
16 Fravel, Del Mar Thoroughbred Club.

17 You know, sometimes these raw numbers are a little
18 misleading. In this case, probably not.

19 We had a very good meet, we were up in virtually
20 every category wagering-wise. Field size, which isn't on
21 here, increased 8.4 horses.

22 I note that Saratoga went down to 8.2, I think,
23 which is the first time we've averaged more horses per race
24 than they have.

25 And we implemented -- and I have to admit, Drew

1 Couto and Wilson Shirley told me I was being a wimp, that
2 Tom Robbins and I were being wimpy, that we implemented a
3 five percent purse increase about four weeks into the meet,
4 and we ended up being a million dollars on the low side, so
5 we'll be making another distribution on purses probably in
6 December, after that five percent purse increase.

7 So as you can see from these numbers, it was a
8 very successful meet.

9 The total in-California wagering, when you combine
10 SCOTWINC, as well the ADW, was up substantially and on-
11 track, in particular, was a six percent increase in handle.
12 So we were very pleased with the net results, particularly
13 for our horsemen.

14 COMMISSIONER SHAPIRO: Congratulations.

15 CHAIRPERSON HARRIS: Yeah, the ADW is encouraging,
16 that's been climbing and still, at the same time, hasn't
17 impacted your other handle significantly, by someone in
18 California, I guess.

19 Any comments on any of these reports, by the
20 Board?

21 If not, we'll move on to General Business:
22 Communications, reports, requests for future action by the
23 Board.

24 Any old business?

25 What's the status of that jockey health, would you

1 tell us about that?

2 SENIOR MANAGEMENT AUDITOR REAGAN: The Jockey
3 Health Study is moving forward. Everything had to stop
4 because Mr. Fravel needed another vacation. But now that
5 he's back, there are certain issues and there were some
6 concerns in terms of the way the study was being structured,
7 and there was input from Dr. Seftel, and some others.

8 And it's my understanding that Dr. Hutchinson,
9 Dr. Bernadott, and Dr. Seftel, and the others are now pretty
10 much on the same page and we can move forward.

11 But, Craig?

12 MR. FRAVEL: Yeah, actually, we had a meeting
13 before I went on one of my many vacations, back in Kentucky,
14 I think around the 12th of September, with a variety of
15 representative organizations from around the country,
16 including the National HBPA, the TOC, California
17 Thoroughbred Trainers. Mr. Shapiro was on the phone.
18 Jockeys' Guild, the TRA, a whole bunch of -- all the
19 acronyms in the business, I think, were there.

20 And the encouraging part about that meeting was
21 that there is a great deal of concern and interest in
22 pursuing this study.

23 We went through some of the dynamics of it because
24 this was, I would characterize, as a preliminary meeting,
25 based on a draft of the study proposal.

1 There were some issues raised by the clinicians,
2 who work at the racetrack. We invited two physicians, who
3 actually work at the racetrack with riders, Dr. Barry
4 Schumer, from Keeneland, and David Seftel from Bay Meadows
5 Golden Gate. They had some input.

6 And the designated medical director for the study
7 is a guy named Mark Hutchinson, who is a Professor of Sports
8 Medicine at the University of Illinois, Chicago. And he has
9 been working with those two gentlemen to incorporate their
10 suggestions.

11 As of my last communication, they were coming to
12 an understanding about how this should look, and we should
13 be getting a revised draft of the study proposal and budget
14 by the 14th of October, by which point it's going to be up
15 to Commissioner Shapiro, and myself, and some of the rest of
16 you to go out and find the money to pay for this thing.

17 So once we've finalized -- and I'm very hopeful
18 that after this next draft comes out we'll all be on pretty
19 much the same page in terms of what the study should look
20 like.

21 That may be the easy part, the hard part might be
22 finding all the money. So it will be up to us, then, to go
23 out to the various constituent organizations and get some
24 cash to do this thing.

25 CHAIRPERSON HARRIS: Are we under some legislative

1 deadline on this?

2 MR. FRAVEL: There's language in AB 1180 in terms
3 of conducting the study during the following year and I
4 think -- Shane might remember, I think it's in --

5 MR. GUSMAN: I thought within two years.

6 MR. FRAVEL: I think it's 2007 is what the
7 completion requirement would be.

8 But, you know, I don't think, candidly, it's going
9 to take that kind of time. So I think this is moving
10 forward as fast as we can move it.

11 CHAIRPERSON HARRIS: Well, hopefully, we can get a
12 time table by November, or so, of when we think it will
13 start and somewhat what it's going to cost, and when it
14 might conclude because it's --

15 MR. FRAVEL: Well, a lot of that will be in the
16 next draft, and once we get the -- there will be a rather
17 complete budget in the next draft, and we can make a
18 presentation in the November meeting. And a lot of it will
19 relate to the logistics about how to get people to various
20 locations to have the tests done in an expeditious fashion.
21 So I'm hopeful we can accomplish a lot of that.

22 CHAIRPERSON HARRIS: Any other old business?

23 Where's our next meeting, it's at -- it's Arcadia,
24 yeah.

25 COMMISSIONER SHAPIRO: Mr. Chairman, I guess this

1 would be under old business. It's my understanding that the
2 contract with Scientific Games and the tracks is going to
3 expire in September 2006, I think, somewhere around then.

4 And we had a presentation at Del Mar in terms of
5 new technology and tote capabilities, and I'd like to see if
6 we can't get some reading in terms of what is happening with
7 that negotiation. While it's not our place to be in the
8 middle of the negotiation, I think that we should continue
9 to see if we can't get new tote systems installed and what
10 the time frame will be for that.

11 If the contract is going to expire in September,
12 and if there's going to be new tote equipment going to be
13 used, I'd certainly like to know where we're going with that
14 and how it's going to get implemented. Because I would just
15 like to see that we move forward with more modern
16 technology.

17 CHAIRPERSON HARRIS: I agree. I think it's -- I
18 hate to see a contract expire before we do anything. If the
19 two parties can get together and mutually agree to move up
20 the expiration and, you know, start something else.

21 MR. MC WILLIAMS: Mr. Chairman, Mr. Shapiro, my
22 name's Terry McWilliams and I, too, am with Scientific
23 Games.

24 To your concern about the contract expiration date
25 and the efforts that Scientific Games is making relative to

1 new technology, let me just give you a little, brief update
2 on it, if I might.

3 We plan on introducing, you know, on a public
4 nature, to the whole industry, our complete line of new
5 terminals at the Tucson Conference, which is the first week
6 in December. And I know in the past many of you members
7 have attended.

8 And so I would certainly encourage you to -- if
9 you're planning on being there, to stop at our booth and
10 take a look, because we have a new, broad array of
11 terminals, actually four different types and models that
12 will be there for a demonstration then.

13 However, we are trying to put together, in the
14 very early stages of putting together, right now, a preview,
15 if you will, of our terminal line to our customers in
16 California. And, hopefully, we're going to schedule that,
17 assuming that all the dates work with all the various
18 parties that we have to put together, in early November, in
19 advance of the Tucson show, for the express purpose of
20 getting some feedback about the terminal, the look, the
21 feel, and the functionality, and the interface of the
22 terminal with the customers, from our customers, based on
23 their experiences with their own customers.

24 And then we would integrate that, those ideas into
25 the finished product. So that is a rough outline of the

1 plan.

2 COMMISSIONER SHAPIRO: Well, again, I don't know
3 whether companies will choose to go with Scientific Games,
4 United Tote, whatever company. My concern is that I don't
5 want to see that an agreement is reached in August and then
6 we're told, well, the equipment can't be manufactured and
7 installed until, you know, sometime in 2008, and we don't
8 have that new technology available to our wagering public.

9 So I would just encourage the tracks and the tote
10 companies to be making -- or to be working together to come
11 up with the most -- the best system, now, and try to find a
12 direction that they're going to go, so that we can have it
13 in September of '06, when the existing contract expires.

14 My concern is we need new equipment in California.
15 We, as a Board, can't dictate what equipment that is, but I
16 just want to see that we get the new equipment that will be
17 more fan friendly and, hopefully, boost our handle.

18 MR. MC WILLIAMS: Mr. Chairman, Mr. Shapiro, I
19 agree with you and there is time, regardless of how the
20 industry in California decides. There is time, if you're
21 dealing with a September of '06 time frame, to properly
22 analyze all of the options out there and make a decision,
23 and also give the award winner, whoever they may be, enough
24 time to ramp up manufacturing and get those installed in the
25 earliest possible time period after the expiration of the

1 contract.

2 COMMISSIONER SHAPIRO: Well, let's say that a
3 decision was made in July 31st -- or August 1st --

4 MR. MC WILLIAMS: Of '06.

5 COMMISSIONER SHAPIRO: -- how long is the lead
6 time for your tote company, and I'll assume that's maybe for
7 all tote companies, to be able to where that new equipment
8 would actually be installed in a racetrack, how long does it
9 take?

10 MR. MC WILLIAMS: I can't speak for the other two
11 tote companies, I can only speak for ours.

12 COMMISSIONER SHAPIRO: I understand.

13 MR. MC WILLIAMS: And I think there are some
14 variables between them, having to do with financial
15 resources, whatever, relative to a ramp-up, a manufacturer
16 ramp-up of the size that would be necessary for California.

17 I would guesstimate that, from our stand point,
18 about 60 days of manufacturing time for the amount and
19 number of terminals that would be required. Again, that may
20 vary. But, obviously --

21 COMMISSIONER SHAPIRO: Okay, that's manufacture --

22 MR. MC WILLIAMS: I'm sorry.

23 COMMISSIONER SHAPIRO: But then manufacturing and
24 then perhaps you need installation, new electrical --

25 MR. MC WILLIAMS: Well, actually, the terminals

1 that we have designed, and are going to be rolling out,
2 actually fit into the existing. There's no carpentry --

3 COMMISSIONER SHAPIRO: There's no other retrofit?

4 MR. MC WILLIAMS: Basically, there's no major
5 electrical work that needs to be done, as well, because it
6 was all integrated into the design, the existing specs of
7 the mutual lines, et cetera.

8 But I would say this, you're absolutely right, I
9 mean, it's not just manufacturing and then, boom, they get
10 put out there. So if you make a decision two months in
11 advance of September 1st, you're okay.

12 You definitely want -- the decision needs to be
13 made before then and I would say anywhere from four to six
14 months.

15 COMMISSIONER SHAPIRO: So, essentially, we're
16 getting close to the time where a decision needs to be made?

17 MR. MC WILLIAMS: I would say that in my -- I
18 mean, the tracks can speak for themselves, but I believe
19 that the tracks certainly have enough time to not only
20 thoroughly analyze our competitors' new products out there,
21 but to also analyze the ones that we will have out in
22 November and December.

23 COMMISSIONER SHAPIRO: And is your system such
24 that, let's say, that Hollywood Park decides they want to go
25 with United Tote, and Santa Anita wants to go with

1 Scientific Games, are those two systems compatible such that
2 that could occur?

3 MR. MC WILLIAMS: Well, as it is today, as it
4 stands today, I don't know in what frame of reference you're
5 saying are they compatible. Because, as it is today, if
6 there was more than one vendor in California and you wanted
7 to cross-cash tickets, in other words, if I bet at Santa
8 Anita on a Scientific Games terminal and the meet moved to
9 Hollywood Park, and they were another vendor, that ticket
10 would not be read automatically by that other vendor's
11 terminal. There would have to be cross-cash terminals of
12 Scientific Games over there, that that person would go and
13 do that.

14 I will say this, however, one of the features of
15 these data centers, and this is another initiative that
16 we're undertaking, that we actually hope to sit down with
17 you and show you, because I think you'll have great interest
18 in it, and I think it's been mentioned, are these quantum
19 data centers. And the systems that we're going to be
20 installing there are of an open architecture, such that,
21 ultimately, that system could support United Tote terminals,
22 Amtote terminals, International Tote terminals, any type of
23 a terminal because of the nature of the architecture, the
24 proprietary devices go away for all intents and purposes.

25 COMMISSIONER SHAPIRO: Well, to everybody out

1 there that has a racetrack, please start negotiating.

2 CHAIRPERSON HARRIS: I think what we're dealing
3 with, as I understand it, the machines we have now are like
4 over ten years old and that, you know, they always talk
5 about computers being like dog years, so that makes it like
6 70 years old.

7 So it just seems to be that we could improve
8 handle and customer satisfaction by upgrading and we need to
9 do it as soon as feasible.

10 MR. CASTRO: Chairman Harris, Commissioners,
11 Richard Castro, representing Perimutuel Employees Guild.

12 Commissioner Shapiro, you raise a lot of very
13 excellent questions and I really don't have a fight in this,
14 other than to say everything that's been said means that
15 we're going to be the Guinea Pigs for this system.

16 No one seems to have allowed -- I would rather see
17 it go to someplace other than California, run the system
18 there, before you dump it on California clerks. Because
19 that's basically what's happened in the past, it's been
20 dumped on us and it ends up as trial and error.

21 We've been able to survive, but why repeat the
22 same mistakes of the past.

23 So I would also encourage negotiations get done
24 really quick and I think that would help the process
25 immensely.

1 CHAIRPERSON HARRIS: Yeah, as I understand it,
2 this isn't like necessarily a new system for California, it
3 might be an adaptation of a system they've got someplace.

4 But I think it's good if they get the parimutuel
5 clerks' input as far as all the different issues, any issues
6 you have, that there's good dialogue going there.

7 And in some of their presentations they talked
8 about some of the ergonomic issues on carpel tunnel
9 syndrome, and all this stuff, so I assume they're working
10 with you. They should be seeing what you need.

11 MR. CASTRO: Well, I'm more basic than that. I
12 want it to work. That's all I'm asking for, I want it to
13 work the way it's designed to work.

14 CHAIRPERSON HARRIS: Right now, do you feel that
15 it's not really working the way it's designed?

16 MR. CASTRO: I came here to be a nice guy. Look
17 at my shirt.

18 CHAIRPERSON HARRIS: Yeah, I know, I like your
19 shirt.

20 MR. CASTRO: I had a great time last night, let's
21 just leave it at that.

22 CHAIRPERSON HARRIS: No, but we are concerned.

23 MR. CASTRO: Thank you.

24 CHAIRPERSON HARRIS: Okay, any other old business?
25 Keep in mind that Black Ruby is in the first race

1 today, which --

2 COMMISSIONER SHAPIRO: Still running?

3 CHAIRPERSON HARRIS: Yeah, still running. She's
4 been running more than any of us have been on the Racing
5 Board, put together. But she, a few years ago, was such a
6 sensation, but it's better to -- she hasn't faded away, yet.
7 You need to see her, she's in the first race today.

8 Mrs. Slender?

9 MS. SLENDER: Hi, I'm Mary Lou Slender, from
10 Sangor, California.

11 I've been involved in thoroughbred racing for the
12 last 65 years, which all started in Sacramento, so I'm
13 hoping to have the fair dates for Sacramento placed on your
14 next agenda and, hopefully, we can get the thoroughbreds
15 back.

16 CHAIRPERSON HARRIS: Yeah, the problem we've got
17 there is that Cal Expo, that owns the facility, have go
18 to -- have to decide what it is that they want to do. I
19 think we can't really force them to race certain kinds of
20 dates, they've got to come to us and say what they want to
21 do.

22 MS. SLENDER: I thought Cal Expo was owned by
23 the -- isn't the Taxpayer's Fair, it's the State Fair?

24 CHAIRPERSON HARRIS: It's the State Fair, right.

25 MS. SLENDER: So they should have a voice in it,

1 and they seemed to voice that.

2 I went opening night, with my 90-year-old mother,
3 and it wasn't a good thing. I'm not anti-harness horse, or
4 anything, but it was depressing, and I thought they also
5 fell victims to this decision, as there wasn't anyone there.

6 COMMISSIONER SHAPIRO: Well, we've had a dates
7 meeting at which point Cal Expo said that their Board was
8 making a determination of whether they were going to return
9 to their traditionally mixed breed meeting or they were
10 going to stay as a harness meeting.

11 I would simply encourage you, it's not our
12 decision, they come to us with what they intend to run, you
13 should contact Cal Expo and talk to them because they're
14 really the ones that make the ultimate decision of what show
15 they want to put out there.

16 MS. SLENDER: So I've actually been wrong because
17 I've had so many people tell me how upset they were that
18 there was no thoroughbred racing and I told them, well,
19 then, I think you send a letter to the CHRB and gave them
20 your address, that you, in fact, would be more helpful.

21 CHAIRPERSON HARRIS: Well, we were somewhat
22 involved, I mean, we gave them the racing dates for the
23 harness meet which, I guess, conceivably, we could say you
24 can't do that. But that was -- I think really what happened
25 was it was an experiment that was tried and they felt pretty

1 good about going into it that they would have comparable
2 attendance and handle, and it wasn't even close, it was just
3 a disaster as part of the --

4 MS. SLENDER: It didn't happen, it was depressing.

5 CHAIRPERSON HARRIS: And I think it's had a lot of
6 bad effects on -- ripple effects on Fresno, that there's
7 been such a gap and that we've lost a lot of the mixed breed
8 horses that traditionally came right from Sacramento to
9 Fresno, and now --

10 MS. SLENDER: They turned out.

11 CHAIRPERSON HARRIS: -- they got turned out or
12 something, yeah.

13 MS. SLENDER: Well, I just want to keep racing
14 strong in California, that's my whole thing.

15 COMMISSIONER SHAPIRO: Well, I can tell you,
16 because I did speak with Norbert Bartosik two days ago, they
17 have not come to a determination yet.

18 MS. SLENDER: Okay.

19 COMMISSIONER SHAPIRO: And, you know, one of the
20 things may be that they would consider is putting in a new
21 5/8ths mile track there and maybe during the fair they could
22 go back and run both a mixed breed meet, which could include
23 harness racing, since there would be two track surfaces.
24 And then there could be thoroughbred, and appaloosa, and
25 mules and whatever.

1 MS. SLENDER: Which we did before. My 90-year-old
2 mother can actually tell them there is an inside racetrack
3 that, when we race with the harness horses, they use. So
4 maybe I should get her over to the meeting.

5 CHAIRPERSON HARRIS: Actually, what they're doing
6 now is a different location, though.

7 MS. SLENDER: Well, no, we were at the old --
8 you're talking about the State Fair on Stockton Boulevard.

9 CHAIRPERSON HARRIS: The State Fair is a different
10 place, wasn't it?

11 MS. SLENDER: No, the new Cal Expo. They were the
12 first trainers -- my parents were the first trainers in Cal
13 Expo, and my mother stated that there is an inside
14 racetrack. Whatever.

15 CHAIRPERSON HARRIS: Oh, right there, that's good.

16 MS. SLENDER: Yes, it's already built.

17 COMMISSIONER SHAPIRO: Well, that, hopefully, will
18 save them some money in refurbishing it, then.

19 But, nonetheless, you should contact them.

20 MS. SLENDER: I will.

21 COMMISSIONER SHAPIRO: And, you know, I have
22 encouraged them that, you know, we do have a harness
23 industry, it's the only place they race, and there's a large
24 contingency there that we have to look at, as well.

25 But perhaps during that period they could do a

1 true all-breed mixed meet that would work, and then there
2 could be all-breeds racing, and they race more races. They
3 can race, you know, 15 races.

4 MS. SLENDER: More than eight.

5 COMMISSIONER SHAPIRO: You know, something like
6 that. And then everybody could be happy. But, you know,
7 you should contact the Cal Expo Board.

8 MS. SLENDER: Thank you so much for your time.

9 COMMISSIONER SHAPIRO: Thank you.

10 MS. SLENDER: Will it be on the agenda or it
11 depends upon their meeting?

12 EXECUTIVE DIRECTOR FERMIN: I had spoken with a
13 member of the Board the other day and they had not reached a
14 decision, but they were going to tell us by, I was told,
15 October 28th would be a final decision or notification, I'm
16 not sure. So you do have some time.

17 COMMISSIONER SHAPIRO: They will make their
18 decision and it will be heard at our next Racing Board
19 meeting on November 3rd.

20 EXECUTIVE DIRECTOR FERMIN: In Arcadia.

21 CHAIRPERSON HARRIS: I think the people that put
22 the pressure on is probably their Board of Directors, who
23 probably have gotten a lot of comments.

24 EXECUTIVE DIRECTOR FERMIN: They have.

25 MS. SLENDER: Thank you so much.

1 CHAIRPERSON HARRIS: Any other items?

2 I'm not sure if there's any organized lunch, but
3 we do have a great array of food at the Big Fresno Fair.
4 I'd particularly recommend the soft tacos, or the corn dogs,
5 or Maria's particularly looking forward to the deep friend
6 Twinkee. So enjoy yourself and don't use any Twinkee
7 defenses.

8 (Thereupon the California Horse Racing
9 Board meeting adjourned at 12:35 p.m.)

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CERTIFICATE OF REPORTER

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, and Registered Professional Reporter, do hereby certify:

That I am a disinterested person herein; that the foregoing California Horse Racing Board meeting was recorded under my supervision, transcribed in typewriting, and thereafter personally proofread by me, James F. Peters, a Certified Shorthand Reporter of the State of California.

I further certify that I am not of counsel or attorney for any of the parties in this matter, nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this:

Date

JAMES F. PETERS, CSR, RPR
Certified Shorthand Reporter
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